

Annual Report 2017

# GROWTH & INNOVATION



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## 2017 Annual Report



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**Annual General Meeting**

41<sup>st</sup> Annual General Meeting  
of Gamuda Berhad

**Venue:**

Kota Permai Golf  
& Country Club

**Date:**

Thursday,  
7 December 2017

**Time:**

10.00 a.m.

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View our Annual Report, accounts and other information  
about Gamuda Berhad at [www.gamuda.com.my](http://www.gamuda.com.my)

# Growing Our Presence



Established in 1976, Gamuda has grown over the years to become Malaysia's leading infrastructure and property developer.

## MALAYSIA

### Urban Rail Transport in Greater KL

- Klang Valley Mass Rapid Transit (KVMRT)
  - Sungai Buloh-Kajang Line (SBK)
  - Sungai Buloh-Serdang-Putrajaya Line (SSP)

### Fully Automated Robotic IBS Factory

- Gamuda Industrialised Building System (Gamuda IBS)

### Property Development

- Bandar Botanic
- Bukit Bantayan Residences
- Gamuda Biz Suites
- Gamuda Cove
- Gamuda Gardens
- Gamuda Walk
- Gamuda GM Klang
- HighPark Suites
- Horizon Hills
- Jade Hills
- Kota Kemuning
- Kundang Estates
- Madge Mansions
- The Robertson
- twentyfive.7
- Valencia

### Key Intra-Urban Expressways and Highways in Greater KL

- Damansara-Puchong Highway (LDP)
- Shah Alam Expressway (SAE)
- Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT)

### Inter-State Rail Transport

- Electrified Double Track Project (EDTP) (Ipoh-Padang Besar)

### World's First Dual-Purpose Tunnel

- Stormwater Management and Road Tunnel (SMART)

### Water Regulating Dam, Water Treatment and Power Plant

- Gamuda Water
- SPLASH
- Sungai Selangor Dam
- Rasa & Bukit Badong Water Treatment Plants (SSP1 & SSP3)
- Prai Power Station

### Urban Transformation in Penang

- Penang Transport Master Plan (PTMP)

### Public Infrastructure

- Kuantan Bridge
- Hospital Universiti Kebangsaan Malaysia
- Lumut Naval Harbour
- North Butterworth Container Terminal

## TAIWAN

### Rail Transport

- Kaohsiung Metropolitan Mass Rapid Transit

## QATAR

### Public Infrastructure

- Dukhan Highway
- Hamad International Airport

## VIETNAM

### Property Development

- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

### Sewage Treatment Plant

- Yen So Sewage Treatment Plant, Hanoi

## BAHRAIN

### Bridges

- Sitra Causeway Bridges

## INDIA

### Key Urban Links

- Durgapur Expressway
- Panagarh-Palsit Highway

## SINGAPORE

### Property Development

- GEM Residences

## AUSTRALIA

### Property Development

- 661 Chapel St. Melbourne

# Corporate Information

## BOARD OF DIRECTORS

YBhg Dato' Mohammed Hussein  
(Chairman)

YBhg Dato' Lin Yun Ling  
(Group Managing Director)

YBhg Dato' Ir Ha Tiing Tai  
(Deputy Group Managing Director)

YTM Raja Dato' Seri Eleena binti Almarhum  
Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah

YBhg Dato' Haji Azmi bin Mat Nor

YBhg Dato' Goon Heng Wah

Mr. Saw Wah Theng

YM Tunku Afwida binti Tunku A.Malek

Puan Nazli binti Mohd Khir Johari

YBhg Dato' Ir Chow Chee Wah

*(Alternate to  
YBhg Dato' Lin Yun Ling)*

YBhg Dato' Ubull Din Om

*(Alternate to  
YBhg Dato' Ir Ha Tiing Tai)*

Ir Chan Kong Wah

*(Alternate to  
YBhg Dato' Goon Heng Wah)*

Mr. Soo Kok Wong

*(Alternate to  
Mr. Saw Wah Theng)*

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#### AUDIT COMMITTEE

- YBhg Dato' Mohammed Hussein (Chairman)
  - YM Tunku Afwida binti Tunku A.Malek
  - Puan Nazli binti Mohd Khir Johari
- 

#### NOMINATION COMMITTEE

- YBhg Dato' Mohammed Hussein (Chairman)
  - YM Tunku Afwida binti Tunku A.Malek
  - Puan Nazli binti Mohd Khir Johari
- 

#### REMUNERATION COMMITTEE

- YBhg Dato' Mohammed Hussein (Chairman)
  - YBhg Dato' Lin Yun Ling
  - YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
- 

#### COMPANY SECRETARIES

- Ms. Lim Soo Lye (LS 0006461)
  - Ms. Pang Siok Tieng (MAICSA 7020782)
- 

#### SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd  
149, Jalan Aminuddin Baki  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel : 603-7729 5529  
Fax : 603-7728 5948  
Email : insurban@gmail.com

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#### AUDITORS

Messrs Ernst & Young (AF: 0039)  
Chartered Accountants

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#### PRINCIPAL BANKER

Malayan Banking Berhad

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#### REGISTERED OFFICE/CORPORATE OFFICE

Menara Gamuda  
D-16-01, Block D  
PJ Trade Centre  
No. 8, Jalan PJU8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7726 9210  
Fax : 603-7728 9811

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#### COMPANY NO.

29579-T

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#### DATE & PLACE OF INCORPORATION

6 October 1976, Malaysia

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#### WEBSITE

www.gamuda.com.my

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#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Code: Gamuda  
Stock No.: 5398




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#### LISTING DATE

10 August 1992


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# Group Corporate Structure

 EXPRESSWAY TOLLING AND MANAGEMENT	 WATER RELATED	 CONSTRUCTION																																						
<table border="0"> <tr> <td>Kesas Sdn Bhd</td> <td style="text-align: right;"><b>70%</b></td> </tr> <tr> <td>Sistem Penyuraian Trafik KL Barat Sdn Bhd</td> <td style="text-align: right;"><b>52%</b></td> </tr> <tr> <td>Mapex Infrastructure Private Limited</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>Emas Expressway Private Limited</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>Syarikat Mengurus Air Banjir &amp; Terowong Sdn Bhd</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>Lingkaran Trans Kota Sdn Bhd</td> <td style="text-align: right;"><b>44%</b></td> </tr> </table>	Kesas Sdn Bhd	<b>70%</b>	Sistem Penyuraian Trafik KL Barat Sdn Bhd	<b>52%</b>	Mapex Infrastructure Private Limited	<b>50%</b>	Emas Expressway Private Limited	<b>50%</b>	Syarikat Mengurus Air Banjir & Terowong Sdn Bhd	<b>50%</b>	Lingkaran Trans Kota Sdn Bhd	<b>44%</b>	<table border="0"> <tr> <td>Gamuda Water Sdn Bhd</td> <td style="text-align: right;"><b>80%</b></td> </tr> <tr> <td>Syarikat Pengeluar Air Sungai Selangor Sdn Bhd</td> <td style="text-align: right;"><b>40%</b></td> </tr> </table>	Gamuda Water Sdn Bhd	<b>80%</b>	Syarikat Pengeluar Air Sungai Selangor Sdn Bhd	<b>40%</b>	<table border="0"> <tr> <td>Gamuda Engineering Sdn Bhd</td> <td style="text-align: right;"><b>100%</b></td> </tr> <tr> <td>Masterpave Sdn Bhd</td> <td style="text-align: right;"><b>100%</b></td> </tr> <tr> <td>Ganaz Bina Sdn Bhd</td> <td style="text-align: right;"><b>100%</b></td> </tr> <tr> <td>Gamuda-WCT (India) Private Limited</td> <td style="text-align: right;"><b>70%</b></td> </tr> <tr> <td>Gamuda Naim Engineering and Construction (GNEC) Sdn Bhd</td> <td style="text-align: right;"><b>65%</b></td> </tr> <tr> <td>SRS Consortium Sdn Bhd</td> <td style="text-align: right;"><b>60%</b></td> </tr> <tr> <td>MMC-Gamuda Joint Venture Sdn Bhd</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>MMC Gamuda KVMRT (PDP) Sdn Bhd</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>MMC Gamuda KVMRT (T) Sdn Bhd</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>MMC Gamuda KVMRT (PDP SSP) Sdn Bhd</td> <td style="text-align: right;"><b>50%</b></td> </tr> <tr> <td>Naim Gamuda (NAGA) JV Sdn Bhd</td> <td style="text-align: right;"><b>30%</b></td> </tr> </table>	Gamuda Engineering Sdn Bhd	<b>100%</b>	Masterpave Sdn Bhd	<b>100%</b>	Ganaz Bina Sdn Bhd	<b>100%</b>	Gamuda-WCT (India) Private Limited	<b>70%</b>	Gamuda Naim Engineering and Construction (GNEC) Sdn Bhd	<b>65%</b>	SRS Consortium Sdn Bhd	<b>60%</b>	MMC-Gamuda Joint Venture Sdn Bhd	<b>50%</b>	MMC Gamuda KVMRT (PDP) Sdn Bhd	<b>50%</b>	MMC Gamuda KVMRT (T) Sdn Bhd	<b>50%</b>	MMC Gamuda KVMRT (PDP SSP) Sdn Bhd	<b>50%</b>	Naim Gamuda (NAGA) JV Sdn Bhd	<b>30%</b>
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 GOLF CLUB & CLUBHOUSE	 IBS, QUARRYING, PLANT HIRE AND OTHERS	 INVESTMENT																																						
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## BUILDING MATERIALS

Gamuda Trading Sdn Bhd	100%
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## PROPERTY/TOWNSHIP INFRASTRUCTURE DEVELOPMENT

Jade Homes Sdn Bhd	100%
Gamuda Land (Botanic) Sdn Bhd	100%
Madge Mansions Sdn Bhd	100%
Valencia Development Sdn Bhd	100%
Gamuda Land Sdn Bhd	100%
Gamuda Land Vietnam Limited Liability Company	100%
Gamuda Land (HCMC) Sdn Bhd	100%
Idaman Robertson Sdn Bhd	100%
Gamuda Land (Kemuning) Sdn Bhd	100%
Highpark Development Sdn Bhd	100%
Bandar Serai Development Sdn Bhd	100%
Dinamik Atlantik Sdn Bhd	100%
Lifestyle Heritage Sdn Bhd	100%
Semarak Kuasa Sdn Bhd	100%
Gamuda (Australia) Pty Ltd	100%
Gamuda (Singapore) Pte Ltd	100%
Gamuda Land (T12) Sdn Bhd	100%
Gamuda Land Leisure Sdn Bhd	100%
Gamuda Land (HCMC) Joint Stock Company	100%
Hicom-Gamuda Development Sdn Bhd	50%
Horizon Hills Development Sdn Bhd	50%
Gamuda GM Klang Sdn Bhd	50%
Gamuda GM Sdn Bhd	50%
Gem Homes Pte Ltd	50%



## PROPERTY MANAGEMENT AND MAINTENANCE

Botanic Property Services Sdn Bhd	100%
Gamuda Land Property Services Sdn Bhd	100%
Jade Homes Property Services Sdn Bhd	100%
Valencia Township Sdn Bhd	100%
HGD Property Services Sdn Bhd	50%
Horizon Hills Property Services Sdn Bhd	50%



## LANDSCAPING

Megah Landscape Sdn Bhd	100%
Kota Kemuning Nursery & Landscaping Sdn Bhd	50%

# Group Organisation Structure

## BOARD OF DIRECTORS

- **YBHG DATO' MOHAMMED HUSSEIN**  
*Chairman*
- **YBHG DATO' LIN YUN LING**  
*Group Managing Director*
- YBhg Dato' Ir Ha Tiing Tai
- YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah

### ALTERNATE DIRECTORS:

- YBhg Dato' Ir Chow Chee Wah
- YBhg Dato' Ubull Din Om

### RESPECTIVE BOARD OF DIRECTORS AND EXCOS

**YBhg Dato' Lin Yun Ling**  
Group Managing Director

**YBhg Dato' Ir Ha Tiing Tai**  
Deputy Group Managing Director

**YBhg Dato' Ubull Din Om**  
Managing Director, Gamuda Engineering

**YBhg Dato' Ir Chow Chee Wah**  
Managing Director, Gamuda Land

### ENGINEERING AND CONSTRUCTION

- Klang Valley Mass Rapid Transit (KVMRT)
  - (i) Sungai Buloh-Kajang Line (SBK Line)
  - (ii) Sungai Buloh-Serdang-Putrajaya Line (SSP Line)
- Penang Transport Master Plan (PTMP)
- Pan Borneo Highway Package WPC-04
- Gamuda Industrialised Building System (Gamuda IBS)

### PROPERTY DEVELOPMENT

#### MALAYSIA

- Bandar Botanic
- Bukit Bantayan Residences
- Gamuda Biz Suites
- Gamuda Cove
- Gamuda Gardens
- Gamuda GM Klang
- HighPark Suites
- Horizon Hills
- Jade Hills
- Kota Kemuning
- Kundang Estates
- Madge Mansions
- The Robertson
- twentyfive.7

#### VIETNAM

- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

#### SINGAPORE

- GEM Residences

#### AUSTRALIA

- 661 Chapel St. Melbourne

- YBhg Dato' Haji Azmi bin Mat Nor
- YBhg Dato' Goon Heng Wah
- Mr. Saw Wah Theng
- YM Tunku Afwida binti Tunku A.Malek
- Puan Nazli binti Mohd Khir Johari

- Ir Chan Kong Wah
- Mr. Soo Kok Wong

### BOARD COMMITTEES

- Audit
- Remuneration
- Nomination
- Risk Management

### INTERNAL AUDIT

**YBhg Dato' Haji Azmi bin Mat Nor**  
Executive Director, Infrastructure Concessions

#### INFRASTRUCTURE CONCESSIONS

- SPLASH
- LITRAK
- SPRINT
- KESAS
- SMART

### HEAD OFFICE

- Business Development
- Corporate Development
- Finance & Management Accounting
- Group Corporate Communications
- Human Resource & Administration
- Information Services
- Investor Relations
- Legal & Company Secretary

# Profile of Board of Directors



## **YBHG DATO' MOHAMMED HUSSEIN**

Aged 67, Malaysian (Male)

Independent Non-Executive Chairman

### **BOARD COMMITTEE MEMBERSHIP**

- Chairman of Audit Committee
- Chairman of Remuneration Committee
- Chairman of Nomination Committee

### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Bank of America Malaysia Berhad
- Hap Seng Consolidated Berhad
- Danajamin Nasional Berhad
- CapitaLand Commercial Trust Management Limited
- Tasek Corporation Berhad

YBhg Dato' Mohammed Hussein has been on the Board as Chairman since 12 December 2013.

Previously, he was with the Malayan Banking Berhad ("Maybank") Group for 31 years, during which time he held various senior management positions including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) and Executive Director (Business Group). The last position held prior to his retirement from the Maybank Group in January 2008 was Deputy President/Executive Director/Chief Financial Officer. Presently, he is also the Independent Non-Executive Chairman of Danajamin Nasional Berhad and a member of the Corporate Debt Restructuring Committee sponsored by Bank Negara Malaysia to facilitate the resolution and restructuring of major corporate debts.

Having worked in predominantly banking and financial roles, YBhg Dato' Mohammed Hussein's experiences enable him to bring highly valued advice to the Board and make him ideally suited to chair the Board as well as the Audit, Remuneration and Nomination Committees.

YBhg Dato' Mohammed Hussein graduated with a degree in Bachelor of Commerce (Accounting) from the University of Newcastle, Australia in 1971 and completed the Harvard Business School Advanced Management Program in Boston, USA in 2003. He is also a Fellow of the Asian Institute of Chartered Bankers.

YBhg Dato' Mohammed Hussein has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Mohammed Hussein attended all 4 board meetings held during the financial year ended 31 July 2017.

YBhg Dato' Lin Yun Ling has been on the Board as Managing Director since 10 February 1981.

A civil engineer, YBhg Dato' Lin joined Gamuda in 1978 as a senior project manager and became the Group Managing Director at the age of 26, four years later. He remains at the helm of the Group that has progressed from a small construction set up to a construction and property development Group with a market capitalisation of RM13 billion.

With his entrepreneurial vision and strategic leadership skills, he is focussed on growing the core businesses of the Group, leveraging on the differentiated strengths of its talent pool. The strategies for the Group have resulted in a sustained period of growth in revenues and earnings in each of its core businesses.

The growth of the Group has also been led by consistent and continuous innovation, the latest being significant investment into automated digital production technology. Group-wide, processes and systems are being placed on a common digital platform to ensure future competitiveness.

YBhg Dato' Lin holds a Bachelor of Science (Honours) degree in Civil Engineering from King's College, London, University of London, UK.

YBhg Dato' Lin has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Lin attended all 4 board meetings held during the financial year ended 31 July 2017.



**YBHG DATO' LIN YUN LING**

Aged 62, Malaysian (Male)  
Group Managing Director

**BOARD COMMITTEE MEMBERSHIP**

- Chairman of Risk Management Committee
- Member of Remuneration Committee

**OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Yayasan Gamuda

## Profile of Board of Directors



### **YBHG DATO' IR HA TIING TAI**

Aged 63, Malaysian (Male)

Deputy Group Managing Director

#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Danau Permai Resort Berhad
- Lingkar Trans Kota Holdings Berhad

YBhg Dato' Ir Ha has been on the Board since 1 February 1990. He was promoted to Deputy Group Managing Director on 1 June 2012.

A civil engineer, YBhg Dato' Ir Ha has 39 years of experience in the engineering and construction sectors. He has extensive experience in large-scale design-and-build (DAB) projects, build-operate-transfer (BOT) projects and project delivery partner implementation concept from project inception to project financing and implementation, both in Malaysia and overseas.

As Deputy Group Managing Director, YBhg Dato' Ir Ha assists the Group Managing Director in managing the Group's local and international engineering and construction, property development and infrastructure concession business divisions. Currently, through the Company's role as Project Delivery Partner (PDP), and Underground Works contractor, he also directs, oversees and manages the implementation of the massive Klang Valley MRT project.

YBhg Dato' Ir Ha's expertise and extensive experience particularly in large and complex projects enable him to contribute significantly to the Group's business and to the Board. He was also appointed Vice President of the China Economic & Trade Promotion Agency in September 2010 on a 5-year term.

YBhg Dato' Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a Chartered Structural Engineer and a Chartered Engineer registered with the Engineering Council, UK; a Fellow of The Institution of Engineers Malaysia; a Fellow of the Institution of Civil Engineers, UK; a Fellow of The Institution of Structural Engineers, UK and a Fellow of the Chartered Institution of Highways And Transportation, UK.

YBhg Dato' Ir Ha has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Ir Ha attended 3 out of the 4 board meetings held during the financial year ended 31 July 2017.

An advocate and solicitor, YTM Raja Dato' Seri Eleena has been on the Board since 1 June 1992.

YTM Raja Dato' Seri Eleena's extensive experience in legal practice enables her to contribute significantly to the Board.

YTM Raja Dato' Seri Eleena is a Barrister-at-Law from Lincoln's Inn, London, UK. She was called to the English Bar in 1985. Upon returning to Malaysia, she worked with an international firm in Kuala Lumpur and was called to the Malaysian Bar in 1986. She set up her own legal practice Messrs Raja Eleena, Siew, Ang & Associates in 1987 of which she is presently a senior partner.

YTM Raja Dato' Seri Eleena is also a trustee in several charitable organisations such as Yayasan Sultan Azlan Shah, Yayasan Tuanku Bainun, Yayasan Cemerlang, Yayasan Gamuda and Pusat Kreatif Kanak-Kanak Tuanku Bainun. These organisations conduct a variety of activities which focus on community development, improving and upholding education at all levels, promotion of sports, exploring and expanding children's creativity through performing arts, and preservation of heritage and tradition, culture, social or art, which includes upkeep of the historical buildings and artefacts.

YTM Raja Dato' Seri Eleena has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YTM Raja Dato' Seri Eleena attended 3 out of the 4 board meetings held during the financial year ended 31 July 2017.



**YTM RAJA DATO' SERI ELEENA BINTI  
ALMARHUM SULTAN AZLAN MUHIBBUDDIN  
SHAH AI-MAGHFUR-LAH**

Aged 57, Malaysian (Female)  
Non-Independent Non-Executive Director

**BOARD COMMITTEE MEMBERSHIP**

- Member of Remuneration Committee

**OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- KAF-Seagroatt & Campbell Berhad
- Yayasan Gamuda
- Yayasan Sultan Azlan Shah
- Yayasan Tuanku Bainun

## Profile of Board of Directors



### **YBHG DATO' HAJI AZMI BIN MAT NOR**

Aged 59, Malaysian (Male)

Executive Director

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#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

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#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Lingkaran Trans Kota Holdings Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad
- Kesas Holdings Berhad

YBhg Dato' Haji Azmi has been on the Board since 24 September 2001. Before that, he was the Alternate Director to Mr. Heng Teng Kuang from 22 December 2000 to 1 August 2001 (Mr. Heng Teng Kuang retired from the Board and Company on 1 August 2001).

A civil engineer, YBhg Dato' Haji Azmi has worked as Resident Engineer at the Public Works Department (JKR) of Pahang and Selangor. His last position with the Public Works Department (JKR) was as Assistant Director of the Central Zone Design Unit of JKR Kuala Lumpur (Road Branch).

YBhg Dato' Haji Azmi has extensive knowledge of developing and managing the implementation of complex infrastructure concession projects in Malaysia. He is heavily involved in the Company's role as Project Delivery Partner in the implementation of the Klang Valley MRT project. His other significant contribution is in overseeing the operations of the Group's infrastructure concessions, ranging from expressways to water-related and others.

YBhg Dato' Haji Azmi holds a Bachelor of Science degree in Civil Engineering and a Master's of Science degree in Highway Engineering, both from University of Strathclyde, Glasgow, Scotland, UK.

YBhg Dato' Haji Azmi has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Haji Azmi attended all 4 board meetings held during the financial year ended 31 July 2017.



YBhg Dato' Goon has been on the Board since 1 June 1992. He was previously a member of the Board from 11 November 1986 to 30 October 1988.

A civil engineer, YBhg Dato' Goon has many years of working experience in the fields of engineering, construction and infrastructure works and possesses a strong project implementation background. He held several senior management positions since joining Gamuda in 1978 and is responsible for overall oversight, including over the management and supervision of major projects such as the ongoing Klang Valley MRT project.

YBhg Dato' Goon also has substantial regional responsibilities for the Group's engineering and construction activities from India to the Middle East. His contribution is in his vast engineering expertise, in-depth knowledge and extensive experience in the construction industry, in particular large-scale infrastructure project mobilisation and implementation.

YBhg Dato' Goon holds a Bachelor of Engineering (Honours) degree from the Polytechnic of South Bank, UK (now known as London South Bank University).

YBhg Dato' Goon has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Goon attended all 4 board meetings held during the financial year ended 31 July 2017.



#### **YBHG DATO' GOON HENG WAH**

Aged 61, Malaysian (Male)

Executive Director

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#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

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#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Danau Permai Resort Berhad

## Profile of Board of Directors



### **MR. SAW WAH THENG**

Aged 60, Malaysian (Male)  
Executive Director

#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Lingkaran Trans Kota Holdings Berhad
- Kesas Holdings Berhad
- Danau Permai Resort Berhad
- Horizon Hills Resort Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad

A chartered accountant, Mr. Saw has been on the Board since 1 February 1998.

As head of the finance function, Mr. Saw is responsible for the Group's budgetary control, treasury, tax and corporate finance including mergers and corporate restructuring exercises. He has extensive working experience in accounting, finance and corporate finance gained while he was attached to accounting and auditing firms in the United Kingdom and Malaysia, and as the Group Financial Controller of Hong Leong Industries Berhad, prior to joining the Gamuda Group.

Mr. Saw was admitted as an Associate of the Institute of Chartered Accountants in England and Wales in 1985 and is a member of the Malaysian Institute of Accountants.

Mr. Saw has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr. Saw attended all 4 board meetings held during the financial year ended 31 July 2017.

A chartered accountant, YM Tunku Afwida joined the Board on 1 June 2012.

YM Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was Chief Executive Officer (CEO) and Executive Director (ED) of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd. She is currently a Director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

YM Tunku Afwida possesses vast financial, analytical and risk management experience, enabling her to provide invaluable input to the Board and Audit Committee.

YM Tunku Afwida holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK; qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants.

YM Tunku Afwida has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YM Tunku Afwida attended all 4 board meetings held during the financial year ended 31 July 2017.



#### **YM TUNKU AFWIDA BINTI TUNKU A.MALEK**

Aged 52, Malaysian (Female)  
Independent Non-Executive Director

#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Audit Committee
- Member of Nomination Committee
- Member of Risk Management Committee

#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Export-Import Bank of Malaysia Berhad
- Lafarge Malaysia Berhad
- Telekom Malaysia Berhad
- i-VCAP Management Sdn Bhd

## Profile of Board of Directors



### **PUAN NAZLI BINTI MOHD KHIR JOHARI**

Aged 63, Malaysian (Female)

Independent Non-Executive Director

#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Audit Committee
- Member of Nomination Committee

#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- None

Puan Nazli joined the Board on 7 March 2016.

After completing her tertiary education, Puan Nazli joined Aseambankers Malaysia Berhad [now known as Maybank Investment Bank Berhad (ASEAM)] from September 1981 to January 1996, holding various positions. Her last position before she left ASEAM was Head of Project Development.

In February 1996, Puan Nazli joined Percon Corporation Sdn Bhd (Percon), a wholly-owned subsidiary of Permodalan Nasional Berhad as the General Manager (Corporate Services). At Percon, she was tasked to put in place a financial and corporate restructuring scheme for the company. The job involved enhancing, strengthening and developing Percon's competitive position in the field of engineering and construction and at the same time, developing the corporate direction for Percon. At group level, Puan Nazli represented Percon's interests in various subsidiaries and associate companies ranging from road concession to property development, both locally and abroad. She left Percon in July 2002 and is not attached to any particular company at present.

Puan Nazli's vast exposure in a variety of industries had contributed positively to her analytical and conceptual approach in decision making. Her extensive people management and general management experience both at corporate and line-management levels also enables her to provide invaluable inputs to the Board and Audit Committee.

Puan Nazli holds a Bachelor of Science in Business Administration from The George Washington University, Washington D.C., USA and a Master of Business Administration from Syracuse University, Syracuse, New York, USA.

Puan Nazli has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She attended all 4 board meetings held during the financial year ended 31 July 2017.

YBhg Dato' Ir Chow has been on the Board as Alternate Director to YBhg Dato' Lin Yun Ling since 24 September 2001. Before that, he was the Alternate Director to Mr. Chan Kuan Nam @ Chan Yong Foo from 22 December 2000 to 1 August 2001.

A civil engineer, he has more than 35 years' working experience in the design of roads, expressways, buildings and large scale property developments. He joined Gamuda as a project coordinator after working with a leading engineering consultancy as Associate Director. In Gamuda, he held increasingly senior positions within the Group and assumed the property development portfolio in 1996 in line with the Group's business diversification. YBhg Dato' Ir Chow heads the property development division as its Managing Director.

YBhg Dato' Ir Chow's engineering expertise and vast experience working in the Group, particularly on the design and technical aspects of the construction, and in later years, on property development, enables him to contribute significantly to the Group's business and to the Board.

YBhg Dato' Ir Chow holds a Bachelor of Science (Honours) degree in Civil Engineering from the University of London, UK. He is a Professional Engineer registered with the Board of Engineers, Malaysia and a member of The Institution of Engineers Malaysia.

YBhg Dato' Ir Chow has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



#### **YBHG DATO' IR CHOW CHEE WAH**

Aged 59, Malaysian (Male)

Alternate Director to YBhg Dato' Lin Yun Ling

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#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

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#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- Horizon Hills Resort Berhad

## Profile of Board of Directors



### **YBHG DATO' UBULL DIN OM**

Aged 55, Malaysian (Male)

Alternate Director to YBhg Dato' Ir Ha Tiing Tai

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#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

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#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- None

YBhg Dato' Ubull joined the Board as the Alternate Director to YBhg Dato' Ir Ha Tiing Tai on 2 January 2015.

YBhg Dato' Ubull joined Gamuda in 1988 and has held various positions in the Group. For the next 28 years, he advanced rapidly through various business and operations roles within the Group and is currently the Managing Director of Gamuda Engineering Sdn Bhd. He has been involved in several notable projects, namely the Electrified Double Track Project (Ipoh-Padang Besar), Sungai Selangor Water Supply Scheme Phase 3, Shah Alam Expressway Package, Damansara-Puchong Expressway and SPRINT Highway. He is currently involved in the Tunnelling and Underground works for the Klang Valley MRT project.

YBhg Dato' Ubull holds a Bachelor Degree in Housing, Building and Planning from Universiti Sains Malaysia. He is a Council Member of the Master Builders Association Malaysia.

YBhg Dato' Ubull has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

A civil engineer, Ir Chan joined the Board as the Alternate Director to YBhg Dato' Goon Heng Wah on 8 March 2013.

Ir Chan has 39 years' experience in civil engineering works. He was the Head of Facility Engineering Division of Pengurusan LRT, Kuala Lumpur prior to joining the Company in 1995. He is highly experienced in managing the construction of highways, airports and water supply schemes in Malaysia, the United Kingdom, Middle East and India. He was also involved in the Electrified Double Track Project (Ipoh-Padang Besar) and is currently involved in the Klang Valley MRT project in Malaysia.

Ir Chan holds a Bachelor of Science (Engineering) degree from King's College London, University of London, UK. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a member of The Institution of Engineers Malaysia and a Chartered Engineer of The Institution of Civil Engineers, UK.

Ir Chan has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



#### **IR CHAN KONG WAH**

Aged 61, Malaysian (Male)

Alternate Director to YBhg Dato' Goon Heng Wah

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#### **BOARD COMMITTEE MEMBERSHIP**

- Member of Risk Management Committee

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#### **OTHER DIRECTORSHIPS IN PUBLIC COMPANIES**

- None

## Profile of Board of Directors



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### MR. SOO KOK WONG

Aged 48, Malaysian (Male)

Alternate Director to Mr. Saw Wah Theng

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#### BOARD COMMITTEE MEMBERSHIP

- None

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#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

A chartered accountant, Mr. Soo joined the Board as Alternate Director to Mr. Saw Wah Theng on 8 March 2013.

Mr. Soo was attached to a major accounting firm in Malaysia prior to joining the Company in 1996. He has vast experience in accounting, tax, audit, finance, treasury and budgetary control and presently heads the Company's Financial Management and Accounting Department.

Mr. Soo is a Fellow member of the Association of Chartered Certified Accountants (ACCA), UK and a member of the Malaysian Institute of Accountants.

Mr. Soo has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



# Senior Management Profile



**ADIL PUTRA BIN AHMAD**  
Executive Director,  
Gamuda Engineering

Encik Adil, aged 52, was appointed the Executive Director in April 2013, and was also the Project Coordinator for MMC Gamuda KVMRT Line 2.

He has extensive experience in managing and constructing large scale infrastructure projects, including the Lebuhraya Damansara-Puchong, Shah Alam Expressway and KVMRT Line 1 and 2.

In the early years of his career, he was involved in the construction of the Ipoh-Lumut Highway as well as part of the North South Expressway.

Encik Adil graduated with a BSc in Civil Engineering from the California State University in Long Beach, USA. He is registered with the Board of Engineers Malaysia and is a member of the Institution of Engineers, Malaysia.



**NGAN CHEE MENG**  
Chief Operating Officer,  
Gamuda Land

Mr. Ngan, aged 52, was formerly the Group Financial Controller of Gamuda Land before assuming the position as its Chief Operating Officer in January 2013.

He was appointed to the Board of Bandar Botanic Resort Berhad in October 2008. He also sits on the Boards of Jade Homes Resort Berhad and several private limited companies.

Prior to joining Gamuda, he was a Senior Consultant with Coopers & Lybrand (now known as PricewaterhouseCoopers) and Group Accountant of the Building Materials Division at Hong Leong Industries Berhad. He had also served as Senior Finance Manager with the SPRINT Highway concessionaire.

Mr. Ngan is a qualified accountant registered with the Malaysian Institute of Certified Public Accountants and a Chartered Accountant registered with the Malaysian Institute of Accountants.



**DATO' HJ ABDUL SAHAK BIN SAFI**  
Executive Director,  
Gamuda Land

Dato' Hj Abdul Sahak, aged 57, assumed his current role as Executive Director in the Group's property division in July 2016. He is also an Alternate Director in UEM Sunrise-Gamuda Joint Venture of the Horizon Hills development in Johor Bahru.

Since joining the Group in May 2001, he has been instrumental in the conceptualisation and planning of several landmark developments namely, Bandar Botanic in Klang, Valencia in Sungai Buloh and Horizon Hills in Nusajaya, Johor.

He is currently involved in the planning of Gamuda Cove, a new development in Selangor spanning over 1,500 acres, and Gamuda Gardens, an 800-acre mixed development located north of Kuala Lumpur.

Dato' Hj Abdul Sahak was formerly with Lion Group – Property & Construction Division before joining Gamuda Land.

He holds a BSc (Honours) degree in Housing Building and Planning (Arch) from Universiti Sains Malaysia.

## Senior Management Profile



**WONG TSIEN LOONG**  
Chief Information Officer,  
Gamuda Berhad

Mr. Wong, aged 52 is the Chief Information Officer (CIO) for the Group. He also serves as an Executive Director of Gamuda Engineering Sdn. Bhd.

He has extensive experience in design management, conceptualisation and feasibility studies of infrastructure projects, having been involved in the Shah Alam Expressway, Lebuhraya Damansara-Puchong and Lebuhraya SPRINT projects.

As CIO, Mr. Wong is responsible for the Group's digital strategy and transformation. He leads the overall business technology planning and implementation, leveraging the use of technology and information to position the Group to compete effectively in an increasingly digital world.

Mr. Wong was previously with Ove Arup and Partners, London. He graduated with a Bachelor of Engineering (Honours) in Civil Engineering from the University of Leeds and holds a Master of Business Administration from the University of Leicester.



**DATO' MOHAMMAD IMRAN BIN ISMAIL**  
Director, Business Development,  
Gamuda Engineering

Dato' Imran, aged 44, joined Gamuda Engineering as its Business Development Director and is responsible for developing new growth opportunities and projects for the Group's construction business.

He has over 20 years' experience in the property industry both in the public and private sectors.

During his stints in the Economic Planning Unit and Implementation Coordination Unit of the Prime Minister's Department, he was involved in the planning and implementation of the government's national housing policy (PR1MA).

Dato' Imran has also worked in property development firms such as Sime Darby Property, UEM Land Berhad and Guthrie Property Berhad, where he honed his management, planning and negotiation skills.

He holds a Certificate in Civil Engineering (Construction) from Politeknik Kota Bharu, and is currently pursuing a Degree in Jurisprudence at University Malaya.



**LIM SOO LYE**  
Senior Group General Manager,  
Legal & Company Secretarial,  
Gamuda Berhad

Ms. Lim, aged 52, joined Gamuda in 1996 as its Legal Manager and was promoted to her current position in January 2011.

She commenced legal practice in 1990 and stayed on until 1995, after which she joined a public listed company as Head of its Legal Department.

Ms. Lim graduated with an LLB degree from University Malaya and qualified as an Advocate and Solicitor of the High Court of Malaya in 1990.



**SREEJAYA MENON**

Senior General Manager,  
Group Corporate Communications,  
Gamuda Berhad

Ms. Sreejaya, aged 49, joined Gamuda as Head of Corporate Communications in June 2016 and is responsible for the Group’s overall communication strategy, corporate branding and reputation management.

Prior to joining Gamuda, she was Head of Corporate Affairs at the Securities Commission, the regulator of the Malaysian capital market.

She has over 20 years’ experience in corporate and government relations, corporate citizenship, media relations, internal communications and branding given her stints in Citibank Berhad, American Express and Ogilvy & Mather.

Ms. Sreejaya holds a Master of Arts in Communication Management from the University of South Australia, Adelaide.



**KAM LEE LAN**

Head of Marketing & Sales,  
Gamuda Land

Ms. Kam, aged 46, is the Head of Marketing and Sales at Gamuda Land, the Group’s property division.

She has vast experience in the field of strategic marketing from customer relationship management to customer analytics, customer loyalty, consumer branding, marketing communications and new leads generation.

She is an alumna of the University of Northumbria, Newcastle Business School, UK, a Master of Arts graduate, majoring in Marketing.



**MURNIRA ABDUL MURY**

General Manager,  
Human Resources and  
Administration, Gamuda Land

Ms. Murnira, aged 44, joined the Group as Head of Organisational Development and Talent Management in July 2014. She was appointed to head the Gamuda Land Human Resources and Administration Department beginning of 2017.

Prior to joining the Group, she served in Lafarge Malaysia as the Head of Organisational Development & Talent Management.

Ms. Murnira is a certified Organisational Development (OD) Practitioner and a Certified Accelerated Learning Practitioner with the International Association of Accelerated Learning Practitioner (IAALP).

She graduated with a Degree in Business Administration from Coventry University, UK.



# MANAGEMENT DISCUSSION & ANALYSIS

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# Performance Indicators

MARKET CAPITALISATION

**RM13.0**  
billion

(2016: RM11.8 billion)

PROPERTY SALES

**RM2.4**  
billion

(2016: RM2.1 billion)

CONSTRUCTION ORDER BOOK

**RM7.8**  
billion

(2016: RM8.4 billion)

REVENUE<sup>(N1)</sup>

**RM5,703**  
million

(2016: RM4,171 million)

CORE NET PROFIT<sup>(N2)</sup>

**RM700**  
million

(2016: RM626 million)

CORE RETURN ON EQUITY (ROE)<sup>(N2)</sup>

**9.4%**

(2016: 9.1%)

<sup>(N1)</sup> Including revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Excluding one-off impairment of RM98.5 million on SMART's expressway.

# Statement from the Group Managing Director



**YBHG DATO' LIN YUN LING**  
Group Managing Director

It is my pleasure to present Gamuda's Annual Report for the financial year ended 31 July 2017.

The progress and achievements made by the Group over the past year have enabled us to further strengthen our leadership position in the infrastructure construction, property development and infrastructure concession business segments.

# Statement from the Group Managing Director

## Key Highlights

1



### Mass Rapid Transit (MRT)

- Awarded **Best Project Award** and **Best Innovation** for 2017 by the Construction Industry Development Board (CIDB)



2



### Gamuda IBS

- Sepang factory fully operational since June 2016, capacity of **3,000** residential units per year



3



### Property Development

- Healthy sales from existing townships and launch of **two new townships** in Malaysia





**The delivery of Malaysia's first Mass Rapid Transit (MRT), the 51km KVMRT Line 1 on 17 July 2017, two weeks ahead of time and within budget.**

- MMC-Gamuda Joint Venture, the **Project Delivery Partner** and **Underground Contractor**
- **130,000** jobs were created

- Provided **RM4.8 billion** worth of underground-related contracts to **633** SMEs

**Malaysia's first automated robotic Industrialised Building System (IBS) factory.**

- Building **714** apartment units for Gamuda Land's Jade Hills township in Kajang

- Achieved outstanding **CIDB QCLASSIC** score of 86, the highest for a show unit

- A second, larger factory under construction in Banting, ready in 2018. Total yearly production to reach **8,000** units

**Gamuda Land achieved sales of RM2.4 billion.**

- Strong demand for townships in **Hanoi** and **Ho Chi Minh City, Vietnam**

- Only developer in Malaysia to have won **The Edge-PEPS Value Creation Excellence award** five years consecutively

# Statement from the Group Managing Director

## GROUP PERFORMANCE

The Group posted a 37% increase in revenue to a record high RM5,703 million (including revenue of joint ventures) for the financial year ended 31 July 2017. Profit before tax (PBT) improved 6% to RM826 million year-on-year. Core PBT and core net profit (excluding one-off impairment of RM98.5 million on SMART's expressway due to lower than expected toll revenue projections), improved by 18% to RM924 million and 12% to RM700 million, respectively.

### Group

REVENUE GREW 37%

REVENUE

**RM5,703**  
million

### Group

CORE PBT GREW 18%

CORE PBT

**RM924**  
million

For the financial year ended 31 July 2017, Gamuda Engineering, our engineering and construction division posted a 40% increase to RM269 million in PBT on the back of a 29% rise in revenue to RM3,327 million year-on-year.

## Gamuda Engineering

CONSTRUCTION  
REVENUE GREW 29%

REVENUE

**RM3,327**  
million

Following the successful completion of KVMRT Line 1, MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd., in which Gamuda is a 50% partner, continues in its role as the Project Delivery Partner for the KVMRT Line 2 (Sungai Buloh-Serdang-Putrajaya). MMC Gamuda KVMRT (T) Sdn. Bhd., is also the contractor for the RM15.5 billion Underground Works Package which comprises a 13.5km tunnel, underground stations and related works.

“

THE DELIVERY OF MALAYSIA'S FIRST MASS RAPID TRANSIT (MRT), THE 51KM KVMRT LINE 1 ON 17 JULY 2017, TWO WEEKS AHEAD OF TIME AND WITHIN BUDGET.

”

### Gamuda Engineering

CONSTRUCTION  
PBT GREW 40%



PBT

**RM269**  
million

### Gamuda Land

PROPERTY  
REVENUE GREW 66%



REVENUE

**RM1,868**  
million

The RM1.57 billion Pan Borneo Highway package (WPC-04) in Sarawak undertaken by the Naim Gamuda (NAGA) JV Sdn. Bhd., is progressing on schedule. This Pantu Junction to Batang Skrang (PJS) works package is 89.30km in length. Completion is expected by end 2020.

In our on-going effort to train, upskill and employ local staff in all our projects, we have set up a training centre in Temudok, Sri Aman and to date, have trained 182 East Malaysians to work on the highway project. Once operational, the highway will play an important role in opening up economic corridors and opportunities in East Malaysia.

### Gamuda Land

PROPERTY  
PBT GREW 22%



PBT

**RM215**  
million

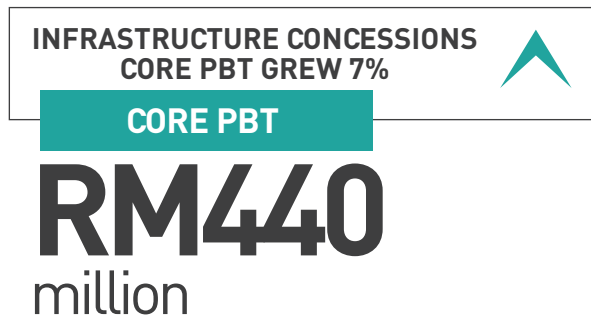
Gamuda Land, our property division, registered sales of RM2.4 billion, up 14% from RM2.1 billion in 2016. Revenue increased 66% to RM1,868 million while PBT rose by 22% to RM215 million over the previous year, as a result of continuing sales from our existing Malaysian projects and much improved sales from our Vietnam townships, namely Celadon City in Ho Chi Minh and Gamuda City in Hanoi.

## Statement from the Group Managing Director

In order to build sustainable townships, we listen to and design according to the topography and natural features of the land to meet the needs of our multi-generational owners and residents.

We have invested RM3.5 billion in land acquisition and preparatory infrastructure works for our latest townships, namely Kundang Estates, twentyfive.7, Gamuda Gardens and Gamuda Cove. Kundang Estates was launched in 2016, followed by Gamuda Gardens and twentyfive.7 in 2017. Gamuda Cove will be launched in 2018. These townships comprise a major part of Gamuda Land's total undeveloped GDV which stands at RM55 billion.

### Gamuda Infrastructure Concessions



Gamuda Infrastructure Concessions, which consists of highway and water concessions, posted a 17% decrease in PBT of RM342 million while revenue rose 6% to RM508 million. Excluding the one-off impairment on SMART's expressway of RM98.5 million, core PBT posted a 7% increase to RM440 million.

During the year, the Group's tolled highways experienced healthy traffic volumes, and continued to provide the Group with a stable income. Our water concession, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. (SPLASH) and treatment plant operator, Gamuda Water Sdn. Bhd., are operating at full capacity and continue to supply crucial treated water for Klang Valley's industries and residents.



THE GROUP'S TOLLED HIGHWAYS EXPERIENCED HEALTHY TRAFFIC VOLUMES, AND CONTINUED TO PROVIDE THE GROUP WITH A STABLE INCOME.



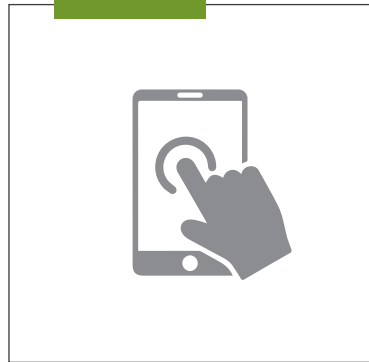
# Group Strategy

Our strategy to achieve sustainable growth is based on our 3C's approach – Capacity, Capability and Competitiveness building.



## Capacity

building through increased human capital investment and major investments in plant and technology (e.g. IBS) to scale up our delivery capacity.



## Capability

development through workforce upskilling, leveraging on IT solutions (e.g. BIM) and application of new engineering and construction technologies and methodologies.



## Competitiveness

through more effective innovation, improved productivity and reliability.

Based on this framework and guided by the strategic goals of the Group, we require innovative projects to have strategic fit that will enable them to ultimately transition to our core business portfolios. Gamuda IBS is a good example as it is well aligned with our mainstream construction and property businesses. Further, the skills and experience acquired from the project will benefit the entire group as we develop future needed skills and shift to a common shared digital platform.

# Statement from the Group Managing Director

## OUTLOOK

The construction industry is ripe for disruption and we view it as the way forward to future-proof and create new revenue streams for our business.

In line with this, we have positioned the Group at the forefront by investing in two digitally-integrated Industrialised Building System (IBS) factories poised to disrupt the current construction methodology while setting a new gold-standard in modular construction in Malaysia.

Premised on an integrated platform using digital data, Gamuda IBS is flexible and fast in construction. Through the use of advanced robotic manufacturing systems, it will maximise output and optimise resource allocation by improving quality, reducing wastages to below one per cent and reliance on manual labour by 65 per cent.

Gamuda IBS is flexible enough to handle 40 large and small projects simultaneously. Utilising software linked to robotic systems increases productivity and efficiency, and will move our local workforce up the value chain. Our operations will rely less on lower skilled manual labour; and there will be greater use of technology and automation in IBS as we upskill our people in technical, vocational and IT skills.

Our investment in digital IBS is timely given the Malaysian Government's aspiration to fully implement the use of IBS in the construction industry by 2020 to address chronic industry issues such as worksite safety, low productivity growth and reliance on foreign manpower.

With this digital disruption, we will meet industry needs for modular precast components, with minimal site work and cater to customised needs for all building variants including schools, hospitals, offices and all types of housing in a sustainable manner.

In 2018, the construction industry is anticipated to grow a further 8% to RM170 billion. This will be driven by the many on-going and planned infrastructure projects, helping to support a projected overall economic growth rate of 4.7-5.3% into 2018.

As such, Gamuda Engineering is likely to benefit from the strong pipeline of future railway projects such as the East Coast Rail Line, Klang Valley MRT3 Circle Line and KL-Singapore HSR that are yet to be awarded.

The Group's proven and reliable track record in rail projects will position us well to bid for these important and demanding projects, estimated to be worth over RM100 billion. Although we have a healthy order book of RM7.8 billion, we still have the capacity and appetite to further participate in this strong infrastructure push and enlarge our order book even more substantially in the next few years.

On the property front, as a nation with a large house-buying demographic segment, there will always be demand for attractively designed, well located and appropriately priced properties, as evidenced by our experience in the property development business for well over two decades.

“

THE GROUP'S PROVEN AND RELIABLE TRACK RECORD IN RAIL PROJECTS WILL POSITION US WELL TO BID FOR THESE IMPORTANT AND DEMANDING PROJECTS, ESTIMATED TO BE WORTH OVER RM100 BILLION.

”

With four strategically located township developments in the Klang Valley and two major townships in fast-growing Vietnam comprising part of Gamuda Land's RM55 billion undeveloped GDV, we are in a strong position to extend our market presence locally and in Vietnam.

Gamuda Land's competitive edge is its solid reputation in reliably delivering its boldly innovative masterplans. Its refreshing and practical designs have not only given purchasers superior homes and lifestyles but also outstanding investments. To sustain the property business into the future, Gamuda Land will replenish and extend its landbanks in strategic locations locally and in targeted markets internationally while continuing to seek innovative product solutions.

SRS Consortium, in which Gamuda holds a majority stake of 60%, has duly accepted an extension of the letter of award (LOA) by the Penang State Government to 30 August 2018 on its appointment as the Project Delivery Partner for the implementation of the Penang Transport Master Plan (PTMP).

Our highway and water concessions in our infrastructure stable are operationally mature and robust, and are anticipated to continue providing healthy future earnings for the Group.

There has been continuing negotiations on the sale of SPLASH to the Selangor State Government and we look forward to a satisfactory and prompt conclusion.

For the coming year, to sustain growth and extend our competitive position, the Group will leverage on further innovation, application of technology and talent development. In doing so, we aim to replenish and enlarge our construction order book, strengthen our property market position and ensure efficient delivery of our projects and operations of our infrastructure concessions.

**YBhg Dato' Lin Yun Ling**  
Group Managing Director

# Strategic Business Model

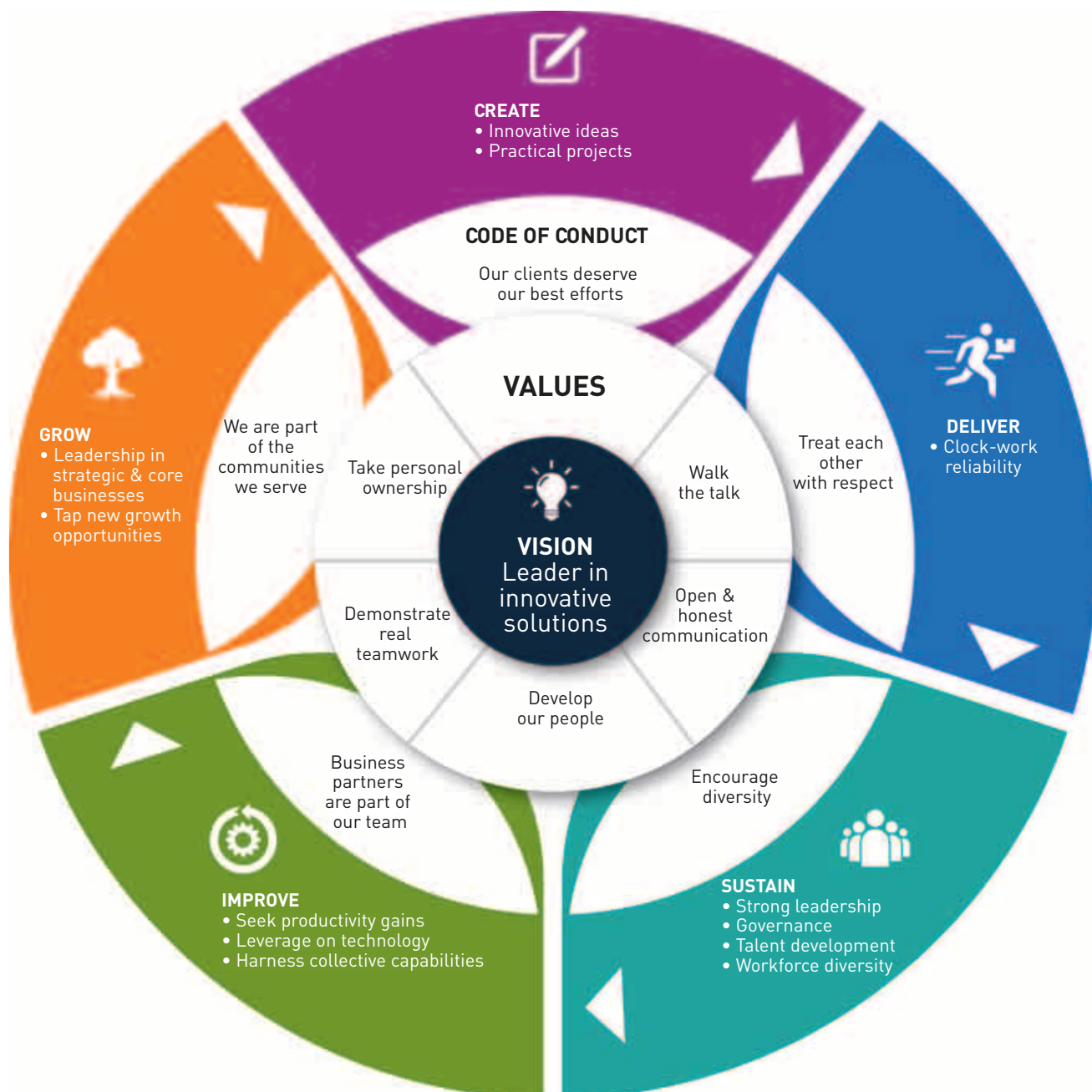
## VISION

We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.

## MISSION

We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our core businesses in infrastructure development and construction, operation of infrastructure facilities and property development.

Delivering innovative solutions for our clients and sustaining growth for the Group requires a talented, competent and strongly motivated workforce with the right values.





## BUSINESS IMPERATIVES AND RESULTS

### Business Imperatives

**Create:** Initiate innovative ideas and practical projects

**Deliver:** Ensure clock-work reliability in execution

**Sustain:** Strong leadership, governance and talent development ensure future sustainability; workforce diversity promotes inclusiveness

### Results

- **Stormwater Management And Road Tunnel (SMART):** World's first dual-usage tunnel for stormwater diversion and road traffic.
- **Variable Density TBM:** Initiated development of the world's first tunnel boring machines using variable density slurry to enable safe operations in severe karstic ground conditions.
- **Project Delivery Partner:** Pioneered use of this project management model to ensure reliable and efficient delivery of complex large-scale projects; subsequently replicated in other major infrastructure projects in the country.

- **Electrified Double Track Project (Ipoh-Padang Besar) 2014:** Malaysia's largest infrastructure project then, delivered on time, on budget.
- **Mass Rapid Transit (MRT) 2017:** Malaysia's largest infrastructure project by value to date, delivered ahead of schedule and well within budget.

- **Highly experienced and capable Board and Top Management:** Provide clear vision, focus and oversight to steer the Group, drive growth and manage risks.
- **Management Development Centre:** Oversees programmes for career development and management, technical and skills training for employees as well as trainees on the government's SL1M programme.
- **Yayasan Gamuda (YG):** Assists communities to achieve sustainable livelihoods through opportunities in education and economic participation. YG's Enabling Academy, the country's first such initiative, prepares individuals with Autism Spectrum Condition for a sustainable career with partner employers.
- **Diversity initiative:** Focuses on inclusiveness and social equity by ensuring ethnic, gender and age representation across the workforce ranks.

# Strategic Business Model

## Business Imperatives

**Improve:** Seek productivity gains by leveraging on technology and harnessing our collective abilities

**Grow:** Expand our leadership of strategic and core sectors, and tap new growth opportunities

## Results

- **Gamuda IBS:** Malaysia's first fully automated robotic precast factory scales up volume, speed and productivity to redefine the construction delivery system for mass property units.
- **Building Information Modelling (BIM):** Seamless integration of technology to enhance accuracy, efficiency and speed of delivery throughout a project life cycle. Used in KVMRT Line 1 and Line 2, and Gamuda IBS.
- **Embedding IT:** Implementing a Common Data Platform to allow efficient exchange, sharing of data, workflows and processes.

- **Enlarge construction order book:** Securing further projects through our core strengths in railways, tunnelling, highways and related infrastructure projects.
- **Grow property sales:** Leveraging on the existing landbank of RM55 billion GDV to launch and grow new sales as well as securing new landbanks locally and overseas, have provided substantial new growth opportunities.

# Material Matters

The Group's material matters are a combination of risks and issues that may, directly or indirectly, affect the Group's prospects and performance in the short to longer term.

Material Matters	Response
<p>1. Shortage of professional and skilled local talent; over reliance on foreign workers</p>	<ul style="list-style-type: none"> <li>• Invest in technology-based processes (IBS and BIM) to lessen dependence on manpower.</li> <li>• Provide technical, management, personal development and language training programmes to upskill to a more multi-skilled, flexible and productive workforce; and deepen expertise in strategic fields.</li> <li>• Improve rewards management, career and succession planning to encourage retention.</li> <li>• Recruit, train and employ local workforce to undertake skilled jobs needed on projects.</li> </ul>
<p>2. Economic volatility – fluctuating exchange rates, commodity prices and market cycles</p>	<ul style="list-style-type: none"> <li>• Diversify our property land bank overseas such as Vietnam, Singapore and Australia.</li> <li>• Monitor and adjust procurement strategies and stock management.</li> <li>• Review and adapt master implementation plans, property launches and marketing strategies.</li> </ul>
<p>3. Shift in priority in government spending on infrastructure projects</p>	<ul style="list-style-type: none"> <li>• Revise/reschedule project implementation priorities.</li> <li>• Identify, innovate and develop new areas of growth.</li> </ul>
<p>4. Competition from foreign contractors for local infrastructure projects</p>	<p>Strengthen our competitive edge through:</p> <ul style="list-style-type: none"> <li>• strong brand name and financial strength</li> <li>• solid track record of delivered projects</li> <li>• project innovation and development expertise</li> <li>• engineering expertise and operational competencies</li> <li>• local knowledge and know-how</li> <li>• proven supply chain, vendors and sub-contractor networks</li> </ul>
<p>5. Cyber-security threats</p>	<p>Benchmark our IT system to industry best practices and upgrade internal security procedures and infrastructure to strengthen our defenses and improve resilience against these threats.</p>

# Chief Financial Officer's Statement



“ THE GROUP ACHIEVED ITS HIGHEST EVER REVENUE OF RM5,703 MILLION, AN INCREASE OF 37% YEAR-ON-YEAR (YOY) WHILE CORE PBT ROSE TO A RECORD HIGH OF RM924 MILLION, AN INCREASE OF 18% YOY. ”

For the year ended 31 July 2017, the Group achieved its highest ever revenue of RM5,703 million (including revenue of joint ventures), an increase of 37% year-on-year (YOY) and profit before tax (PBT) was RM826 million, an increase of 6% YOY. Excluding one-off impairment of RM98.5 million on SMART's expressway, core PBT rose to a record high of RM924 million, an increase of 18% YOY. The one-off impairment of RM98.5 million was due to SMART expressway's lower-than-expected toll revenue projections going forward. Core net profit (excluding one-off impairment on SMART's expressway) improved by 12% to RM700 million. Better performances by the Engineering & Construction and Property Development divisions were the main contributors to the revenue and PBT growth.

During the year, substantial construction works were carried out to complete the Klang Valley Mass Rapid Transit: Sungai Buloh-Kajang Line

(KVMRT Line 1), which was completely opened to the public on 17 July 2017. Furthermore, construction works on the new Klang Valley Mass Rapid Transit: Sungai Buloh-Serdang-Putrajaya Line (KVMRT Line 2) is rapidly gaining momentum. Better property sales from Celadon City in Ho Chi Minh City and Gamuda City in Hanoi, Vietnam further boosted the Group's overall property sales and revenue.

## Group

REVENUE GREW 37%

REVENUE

**RM5,703**  
million

## FINANCIAL PERFORMANCE ANALYSIS FOR FY2017

	2017 RM'million	2016 RM'million	Var
<b>GROUP REVENUE<sup>(N1)</sup></b>			
Engineering and Construction	3,327	2,571	29%
Property Development	1,868	1,122	66%
Water and Expressway	508	478	6%
<b>Revenue</b>	<b>5,703</b>	<b>4,171</b>	<b>37%</b>
<b>GROUP PROFIT BEFORE TAX<sup>(N2)</sup></b>			
Engineering and Construction	269	192	40%
Property Development	215	176	22%
Water and Expressway	440	413	7%
<b>Core Profit Before Tax</b>	<b>924</b>	<b>781</b>	<b>18%</b>
Less: One-off Impairment on SMART's Expressway	(98)	-	
<b>Profit Before Tax</b>	<b>826</b>	<b>781</b>	<b>6%</b>
<b>GROUP NET PROFIT<sup>(N2)</sup></b>			
<b>Core Net Profit</b>	<b>700</b>	<b>626</b>	<b>12%</b>
Less: One-off Impairment on SMART's Expressway	(98)	-	
<b>Net Profit</b>	<b>602</b>	<b>626</b>	<b>-4%</b>

<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit includes Group's share of profits of joint ventures and associated companies.

# Chief Financial Officer's Statement

## GAMUDA ENGINEERING

	2017 RM'billion	2016 RM'billion	Var
Construction Order Book	7.8	8.4	-7%

The construction division's revenue grew 29% to RM3,327 million and PBT increased 40% YOY to RM269 million due to higher work progress from the Group's various construction projects.

The KVMRT Line 1 was completed in 2 phases – Phase 1 (Sungai Buloh to Semantan) was completed two weeks ahead of schedule on 16 December 2016 while Phase 2 (Semantan to Kajang) was also finished two weeks ahead of schedule on 17 July 2017. The overall project was delivered within budget.

With the successful completion of KVMRT Line 1, we are continuing in our role as the Project Delivery Partner and Underground Contractor for Line 2. KVMRT Line 2 comprises 68 works packages of which 43 works packages worth RM32 billion have been awarded up to mid-October. Of the 12 Tunnel Boring Machines (TBM) needed for the tunnelling works for KVMRT Line 2, eight TBMs previously used for KVMRT Line 1 have been refurbished and will be redeployed for use in this project. The Factory Acceptance Tests for two of the four newly purchased TBMs were completed in August 2017. The first tunnel drive will commence in the first quarter of FY2018. KVMRT Line 2's overall cumulative progress at the end of August 2017 is 11% complete.

On the Pan Borneo Highway package (WPC-04) in Sarawak, site clearing, survey works and earth works are progressing on schedule.

Moving forward, the construction division is expected to be a major contributor to the Group's revenue and PBT with a targeted new order book of RM10 billion per annum over the next two years. The rollout of several rail-based mega projects in Malaysia is expected to add to the company's existing order book of RM7.8 billion.

### Gamuda Engineering

CONSTRUCTION  
REVENUE GREW 29%



REVENUE

**RM3,327**  
million



THE CONSTRUCTION  
DIVISION'S REVENUE GREW  
29% TO RM3,327 MILLION  
AND PBT INCREASED  
40% YOY TO RM269  
MILLION DUE TO HIGHER  
WORK PROGRESS FROM  
THE GROUP'S VARIOUS  
CONSTRUCTION PROJECTS.



## GAMUDA LAND

	2017 RM'billion	2016 RM'billion	Var
Property Sales	2.4	2.1	14%
Unbilled Property Sales	2.0	1.9	5%
Total Undeveloped GDV	55	55	-

The property division achieved record sales of RM2.4 billion, 14% higher than RM2.1 billion YOY. Revenue was RM1,868 million, 66% higher than the previous year.

Overseas projects contributed 56% of the division's sales. The better performance was mainly due to higher sales achieved by Celadon City in Ho Chi Minh City and Gamuda City in Hanoi driven by strong property demand and an improved economic outlook in Vietnam. The improved sales also came from established local projects such as Horizon Hills, Jade Hills, The Robertson and Bukit Bantayan Residences. GEM Residences in Singapore and 661 Chapel St. in Melbourne, Australia, which are both high-rise condominiums, have also registered encouraging sales.

The property division's PBT of RM215 million grew only 22% YOY due to higher upfront cost for new townships and more affordable housing sold this year.

The property division's performance is expected to be better next year due to the launches of several new townships. Kundang Estates, an 89-acre boutique low-rise residential enclave and Gamuda Gardens, an 810-acre integrated township in northern Kuala Lumpur are strategically located at the confluence of the Guthrie, LATAR and North-South expressways. They were launched in November 2016 and July 2017 respectively. Both projects have a combined GDV of RM10.6 billion.

Another new township, twentyfive.7, a 257-acre mixed development with a GDV of RM3.8 billion, featuring vibrant quayside living, located in the mature township of Kota Kemuning, was recently launched in September 2017. It has attracted strong

interest from the market. The waterfront commercial hub called Quayside has garnered good response from retailers and several key tenants are being enlisted for operations.

Gamuda Cove is a future landmark township development with a GDV of RM19.3 billion on 1,530 acres located opposite the Cyberjaya/Putrajaya interchange along Expressway Lingkar Tengah (ELITE Highway). Development approvals are currently in progress.



THE PROPERTY DIVISION ACHIEVED RECORD SALES OF RM2.4 BILLION, 14% HIGHER THAN RM2.1 BILLION YOY MAINLY DUE TO HIGHER SALES ACHIEVED BY CELADON CITY IN HO CHI MINH CITY AND GAMUDA CITY IN HANOI.



### Gamuda Land

PROPERTY REVENUE GREW 66%

REVENUE

**RM1,868**  
million

# Chief Financial Officer's Statement

## GAMUDA INFRASTRUCTURE CONCESSIONS

This division, which consists of highway and water concessions, achieved a PBT of RM342 million, a decrease of 17% YOY, as a result of a one-off impairment of RM98.5 million on SMART's expressway. Excluding the one-off impairment, core PBT is RM440 million, an increase of 7% YOY mainly due to the full-year impact of new toll rates at the Damansara-Puchong expressway (LDP) and Shah Alam expressway (SAE) effective January 2016.

Except for SMART expressway, the traffic volumes of the division's other expressways have been resilient, and continue to provide the Group with stable income. Water production from the water treatment plants are at full capacity and continue to supply crucial treated water for Klang Valley's industries and residents.

### Gamuda Infrastructure Concessions

CORE PBT INCREASE  
BY 7%YoY

CORE PBT

**RM440**  
million

#### SMART

The Group set aside RM98.5 million as a one-off provision for impairment on SMART's expressway as a result of lower than expected toll revenue projections.

#### OTHER COMPREHENSIVE INCOME

**RM126**  
million

#### OTHER COMPREHENSIVE INCOME – RM126 MILLION

Included in other comprehensive income (OCI) is a foreign exchange gain of RM111 million. Consistent with the accounting rule, the foreign exchange gain is not included in net profit for the year but is reported as part of income in OCI. The foreign exchange gain resulted from the retranslation of the Group's assets in Vietnam, India, Australia and Singapore on the back of a weakened Malaysian Ringgit.

Over the years, the group has accumulated about RM300 million in foreign exchange gain that was recorded in the Group's foreign exchange reserves.



## CONSOLIDATED FINANCIAL POSITION ANALYSIS FOR FY2017

	2017 RM'million	2016 RM'million	Var
Non-current Assets	9,336	9,022	3%
Current Assets	6,434	5,147	25%
<b>Total Assets</b>	<b>15,770</b>	14,169	11%
Non-current Liabilities	5,358	4,786	12%
Current Liabilities	2,567	2,169	18%
<b>Total Liabilities</b>	<b>7,925</b>	6,955	14%
Owners' Equity	7,476	6,878	9%
<b>Total Equity</b>	<b>7,845</b>	7,214	9%
Current Ratio (times)	2.5	2.4	0.1
Net Assets Per Share Attributable to Equity Holders (RM)	3.1	2.8	0.3

### TOTAL ASSETS

At the end of the financial year, the Group had total assets worth RM15,770 million, an increase of 11% YOY mainly due to the increase in property development assets and trade receivables.

Property development assets (land held for property development and property development costs) increased by RM327 million mainly as a result of the preparatory infrastructure works for our latest townships.

Receivables increased by RM1,363 million due to:

- Increased progress billings as a result of higher work progress achieved at the various construction projects; and
- Increased property billings as a result of the increase in property development revenue.

### Current Ratio (Current Asset/Current Liabilities)

At the end of the financial year, the Group's current ratio, a yardstick that measures the state of the Group's financial liquidity, stood at 2.5x (last year was 2.4x). The current ratio indicates that the Group has adequate liquidity to meet its short-term obligations.

**TOTAL ASSETS**  
**RM15,770**  
million

# Chief Financial Officer's Statement

## TOTAL LIABILITIES

Total liabilities of the Group increased 14% YOY to RM7,925 million. The increase is mainly due to the drawdown of long term borrowings to finance the development activities of several new townships in Malaysia. Consequently, the Group's net gearing increased to 0.54 times from 0.46 times previously.

	Borrowings due for repayment in			Total RM'million
	<1 year RM'million	1-2 years RM'million	>2 years RM'million	
Long Term Borrowings	-	1,209	3,405	4,614
Short Term Borrowings	629	-	-	629
Total Borrowings	629	1,209	3,405	5,243
	12%	23%	65%	100%

Out of the Group's total borrowings of RM5,243 million, the majority or 65% is due for repayment after 2 years. Only 12% is due within one year.

## OWNERS' EQUITY

Owners' equity increased by 9% to RM7,476 million on the back of the current year's retained earnings and RM128 million proceeds from the new ordinary shares issued pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") and conversion of warrants.

## CONSOLIDATED CASH FLOW ANALYSIS FOR FY2017

	2017 RM'million
Net Cash Used in Operating Activities	(509)
Net Cash Used in Investing Activities	(17)
Net Cash Generated from Financing Activities	271
Net Decrease in Cash and Cash Equivalents at end of Year	(255)
Effects of Foreign Rate Changes	(2)
Cash and Cash Equivalents at Beginning of Year	756
Cash and Cash Equivalents at end of Year	499
Add: Investment Securities and Deposits (Tenures of More Than 3 Months)	543
Total Cash and Bank Balances, and Investment Securities	1,042

### Net cash used in operating activities

The Group's net operating cash outflow of RM509 million resulted principally from the property division's net operating cash outflow.

The property division's net operating cash outflow is mainly due to the cash outlay for preparatory infrastructure works on several new townships, namely Kundang Estates, Gamuda Gardens and twentyfive.7. Sales launches from these new townships are expected to improve the property division's net operating cash flows in the coming year. For overseas developments, Vietnam will continue to be a major cash contributor due to strong sales there.

During the year, the Construction and Water and Expressway divisions have contributed positively to the Group's operating cash flow. Cash surplus from the construction division is mainly from the KVMRT Line 2 project, whereas the Water and Expressway's net operating cash inflow was mainly due to the resilient traffic volumes of the expressways, and continue to provide the Group with stable income.

### Net cash used in investing activities

The Group's net cash outflow in investing activities is mainly due to payment of land and building cost for the construction of the Group's Industrialised Building System (IBS) factories. During the year, the Group spent RM92 million on the second IBS factory which is under construction. An estimated RM500 million has been allocated for the construction of the two IBS factories. The first factory was completed and has been in operations since June 2016. The second factory is expected to be ready in 2018.

### Net cash generated from financing activities

The Group's net financing cash inflow consists of proceeds from ESOS and warrants (RM128 million), drawdown of borrowings (RM453 million) and payment of dividends to shareholders (RM292 million).

The drawdown from borrowings is mainly utilised to finance the development activities of several new townships in Malaysia.

# Chief Financial Officer's Statement

## CAPITAL EXPENDITURE REQUIREMENTS

Major capital expenditures for the coming year are mainly from the construction division, comprising the balance construction cost of approximately RM248 million for the second IBS factory and for the balance purchase cost of approximately RM161 million for the remaining four units of tunnel boring machines (TBMs) for the KVMRT Line 2.

## CAPITAL MANAGEMENT

	2017 RM'million	2016 RM'million
Total Cash & Bank Balances, and Investment Securities	1,042	1,473
Total Borrowings	5,243	4,808
Net Gearing Ratio (times)	0.54	0.46

The efficient management of the gearing level enables the Group to source for sizeable borrowings at competitive rates while optimising shareholders' return on equity ("ROE") sustainably into the future.

The Group's approach to capital management is based on maintaining a prudent net gearing of not exceeding 0.7 times.

The Group continued to maintain a healthy gearing which is currently at 0.54 times. It is 0.08 times higher than the 0.46 times last year due to the drawdown of long term borrowings to finance the development activities of several new townships in Malaysia. The Group's gearing level will improve should the outstanding options under the ESOS and warrants are exercised/converted over the next 3 years as expected.

At the end of FY2017, 172 million ESOS and 393 million warrants with combined proceeds of RM2.4 billion, remained unexercised.

As the Group's footprint extends beyond Malaysia, overseas projects are financed by borrowings denominated in the local currency of the country in which the business is located so as to provide a natural hedge on the Group's foreign currency exposure.



THE GROUP CONTINUED  
TO MAINTAIN A  
HEALTHY GEARING  
AT 0.54 TIMES.



## DIVIDEND PAYOUT

	2017	2016
Dividend Per Share (sen)	12.00	12.00
Dividend Payout Ratio (%)	49	46
Dividend Yield (%)	2.3	2.5

The Group declared a dividend of 12 sen per share this year (FY2016 – 12 sen per share) or RM292 million. This translates into a dividend yield of 2.3% which is comparable with our dividend yields over the last few years. The first and second interim dividends were paid on 25 January 2017 and 28 July 2017 respectively.

Gamuda's dividend payment guideline is to pay out at least 30% of its annual earnings. Over the past 5 years, the Group paid between 39% to 49% of its earnings as dividends to shareholders.



OVER THE PAST 5 YEARS,  
THE GROUP PAID BETWEEN  
39% TO 49% OF ITS  
EARNINGS AS DIVIDENDS TO  
SHAREHOLDERS.

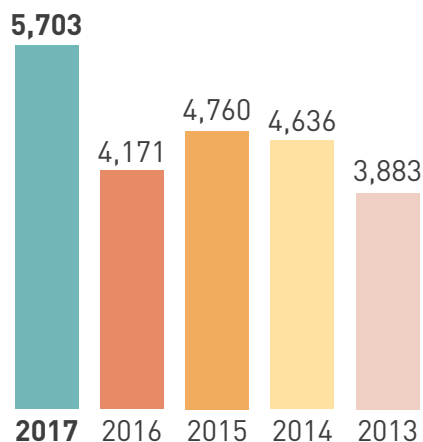


# Five Years Group Financial Highlights

## Total Revenue<sup>(N1)</sup>

(RM'Million)

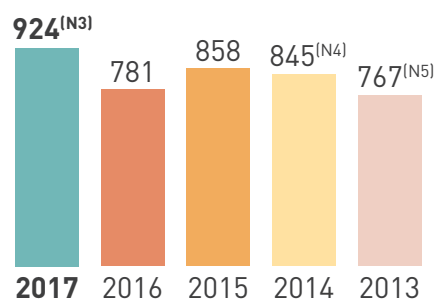
**RM5,703** million



## Core Profit Before Tax<sup>(N2)</sup>

(RM'Million)

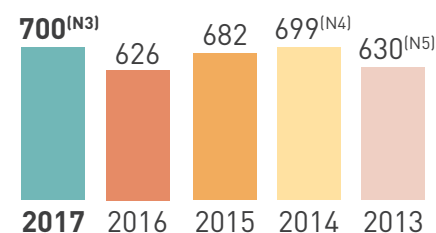
**RM924** million



## Core Net Profits<sup>(N2)</sup>

(RM'Million)

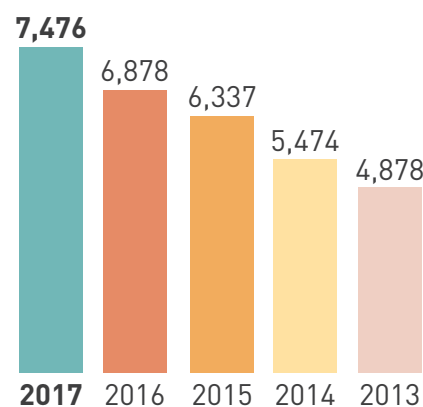
**RM700** million



## Owners' Equity

(RM'Million)

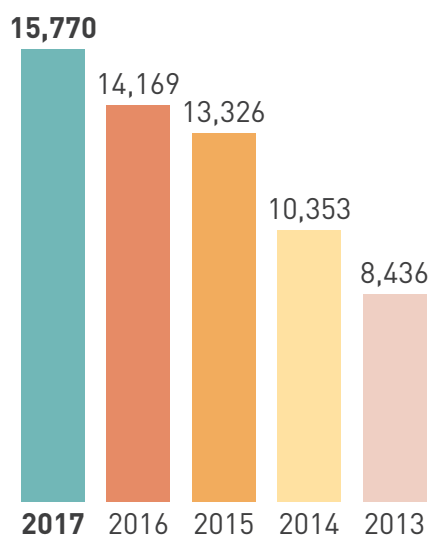
**RM7,476** million



## Total Assets

(RM'Million)

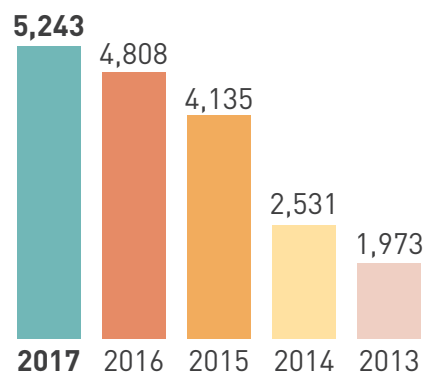
**RM15,770** million



## Total Borrowings

(RM'Million)

**RM5,243** million



<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit include Group's share of profit of joint ventures and associated companies.

<sup>(N3)</sup> Excluding one-off impairment of RM98.5 million on SMART's expressway.

<sup>(N4)</sup> Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.

<sup>(N5)</sup> Core profit before tax and core net profit excluded one-off arbitral awards rendered in favour of subcontractors amounting to RM111 million. The impact is an increase in core profit before tax by RM111 million and core net profit by RM89 million.

RM'million	Financial Year Ended July				
	2017	2016	2015	2014	2013
<b>FINANCIAL RESULTS</b>					
Revenue as Reported in Audited Financial Statements	3,212	2,122	2,400	2,230	2,235
Share of Joint Ventures' Revenue	2,491	2,049	2,360	2,406	1,648
<b>Revenue<sup>(N1)</sup></b>	<b>5,703</b>	4,171	4,760	4,636	3,883
<b>Core Profit Before Tax<sup>(N2)</sup></b>	<b>924</b>	781	858	845 <sup>(N3)</sup>	767 <sup>(N4)</sup>
Less: One-off Impairment on SMART's Expressway	(98)	-	-	-	-
<b>Profit Before Tax</b>	<b>826</b>	781	858	845	767
<b>Core Net Profit<sup>(N2)</sup></b>	<b>700</b>	626	682	699 <sup>(N3)</sup>	630 <sup>(N4)</sup>
Less: One-off Impairment on SMART's Expressway	(98)	-	-	-	-
<b>Net Profit</b>	<b>602</b>	626	682	699	630
<b>KEY INFORMATION OF FINANCIAL POSITION</b>					
Total Cash & Bank Balances and Investment Securities	1,042	1,473	1,438	920	1,306
Total Assets	15,770	14,169	13,326	10,353	8,436
Total Liabilities	7,925	6,955	6,633	4,191	3,332
Total Equity	7,845	7,214	6,693	6,162	5,104
Total Borrowings	5,243	4,808	4,135	2,531	1,973
Share Capital (Number of Shares)	2,451	2,419	2,406	2,323	2,277
Owners' Equity	7,476	6,878	6,337	5,474	4,878
<b>FINANCIAL RATIOS</b>					
Core Earnings Per Share (sen)	28.84	25.99	28.94	30.45	29.52
Basic Earnings Per Share (sen)	24.78	25.99	28.94	31.29	25.35
Share Price at Year End (RM)	5.30	4.87	4.82	4.78	4.76
Core Price Earnings Ratio (times)	18.39	18.74	16.66	15.70	16.12
Price Earnings Ratio (times)	21.39	18.74	16.66	15.28	18.78
Core Return on Owners' Equity (%)	9%	9%	11%	13%	13%
Return on Owners' Equity (%)	8%	9%	11%	13%	11%
Core Return on Total Assets (%)	4%	4%	5%	7%	7%
Return on Total Assets (%)	4%	4%	5%	7%	6%
Net Gearing Ratio (times)	0.54	0.46	0.40	0.26	0.13

<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit includes Group's share of profit of joint ventures and associated companies.

<sup>(N3)</sup> Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.

<sup>(N4)</sup> Core profit before tax and core net profit excluded one-off arbitral awards rendered in favour of subcontractors amounting to RM111 million. The impact is an increase in core profit before tax by RM111 million and core net profit by RM89 million.

# Group Segmental Performance

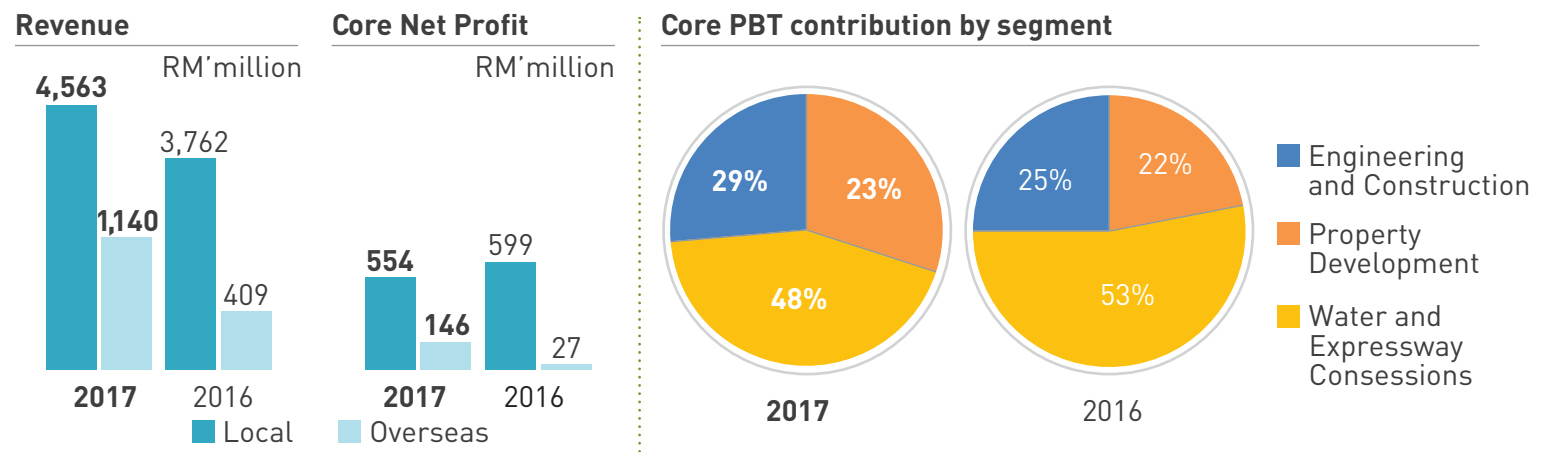
RM'million	Financial Year Ended July				
	2017	2016	2015	2014	2013
<b>GROUP REVENUE<sup>(N1)</sup></b>					
Engineering and Construction	3,327	2,571	3,173	3,157	2,749
Property Development	1,868	1,122	1,165	1,307	1,015
Water and Expressway	508	478	422	172	119
<b>Revenue</b>	<b>5,703</b>	<b>4,171</b>	<b>4,760</b>	<b>4,636</b>	<b>3,883</b>
<b>GROUP PROFIT BEFORE TAX<sup>(N2)</sup></b>					
Engineering and Construction	269	192	222	260	263
Property Development	215	176	258	266	233
Water and Expressway	440	413	378	319	271
<b>Core Profit Before Tax</b>	<b>924</b>	<b>781</b>	<b>858</b>	<b>845<sup>(N3)</sup></b>	<b>767<sup>(N4)</sup></b>
Less: One-off Impairment on SMART's Expressway	(98)	-	-	-	-
<b>Profit Before Tax</b>	<b>826</b>	<b>781</b>	<b>858</b>	<b>845</b>	<b>767</b>
<b>NET PROFIT<sup>(N2)</sup></b>					
<b>Core Net Profit</b>	<b>700</b>	<b>626</b>	<b>682</b>	<b>699<sup>(N3)</sup></b>	<b>630<sup>(N4)</sup></b>
Less: One-off Impairment on SMART's Expressway	(98)	-	-	-	-
<b>Net Profit</b>	<b>602</b>	<b>626</b>	<b>682</b>	<b>699</b>	<b>630</b>

<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit includes Group's share of profits of joint ventures and associated companies.

<sup>(N3)</sup> Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.

<sup>(N4)</sup> Core profit before tax and core net profit excluded one-off arbitral awards rendered in favour of subcontractors amounting to RM111 million. The impact is an increase in core profit before tax by RM111 million and core net profit by RM89 million.





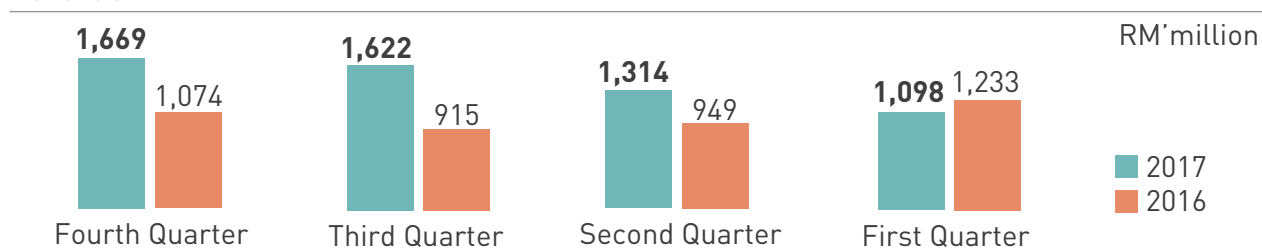
# Group Quarterly Performance

<b>2017</b> RM'million (For the period ended)	2017 YTD	Fourth Quarter Jul-17	Third Quarter Apr-17	Second Quarter Jan-17	First Quarter Oct-16
Revenue as Reported in Audited Financial Statements	3,212	1,013	840	854	505
Share of Joint Ventures' Revenue	2,491	656	782	460	593
Revenue <sup>(N1)</sup>	5,703	1,669	1,622	1,314	1,098
Core Profit Before Tax <sup>(N2)</sup>	924	278	221	219	206
Less: One-off Impairment on SMART's Expressway	(98)	(98)	-	-	-
Profit Before Tax	826	180	221	219	206
Core net profit <sup>(N2)</sup>	700	201	171	166	162
Less: One-off Impairment on SMART's Expressway	(98)	(98)	-	-	-
Net Profit	602	103	171	166	162
Core Earnings Per Share (sen)	28.84	8.23	7.04	6.86	6.70
Basic Earnings Per Share (sen)	24.78	4.20	7.04	6.86	6.70
Dividend Per Share – Single Tier (sen)	12.00	-	6.00	-	6.00
Net Assets Per Share Attributable to Equity Holders (RM)	3.05	3.05	3.07	3.00	2.95

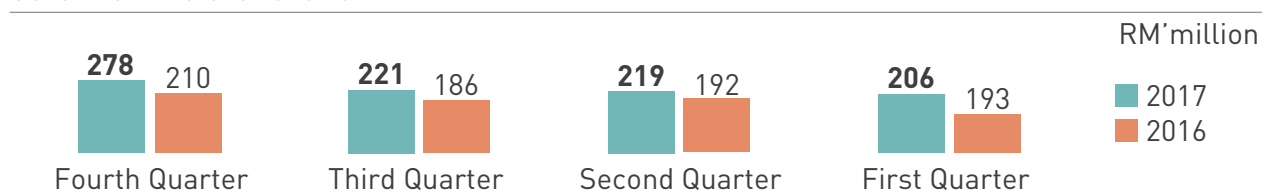
<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit include Group's share of profits of joint ventures and associated companies.

## Revenue



## Core Profit Before Taxation



## Group Quarterly Performance

<b>2016</b> RM'million (For the period ended)	<b>2016</b> YTD	<b>Fourth</b> Quarter Jul-16	<b>Third</b> Quarter Apr-16	<b>Second</b> Quarter Jan-16	<b>First</b> Quarter Oct-15
Revenue as Reported in Audited Financial Statements	<b>2,122</b>	614	468	527	513
Share of Joint Ventures' Revenue	<b>2,049</b>	460	447	422	720
Revenue <sup>(N1)</sup>	<b>4,171</b>	1,074	915	949	1,233
Core Profit Before Tax <sup>(N2)</sup>	<b>781</b>	210	186	192	193
Less: One-off Impairment on SMART's Expressway	-	-	-	-	-
Profit Before Tax	<b>781</b>	210	186	192	193
Core Net Profit <sup>(N2)</sup>	<b>626</b>	152	153	160	161
Less: One-off Impairment on SMART's Expressway	-	-	-	-	-
Net Profit	<b>626</b>	152	153	160	161
Core Earnings Per Share (sen)	<b>25.99</b>	6.29	6.34	6.65	6.70
Basic Earnings Per Share (sen)	<b>25.99</b>	6.29	6.34	6.65	6.70
Dividend Per Share – Single Tier (sen)	<b>12.00</b>	-	6.00	-	6.00
Net Assets Per Share Attributable to Equity Holders (RM)	<b>2.84</b>	2.84	2.77	2.76	2.76

<sup>(N1)</sup> Group revenue includes revenue of joint ventures (eg. KVMRT PDP works) but excludes revenue of associated companies.

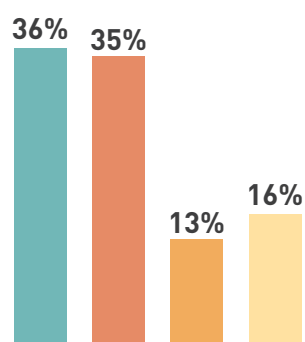
<sup>(N2)</sup> Group profit before tax and net profit include Group's share of profits of joint ventures and associated companies.

# Statement of Value Added and Distribution

The statement of value added shows the total wealth created by the Group and its distribution to stakeholders, with the balance retained in the Group for reinvestment and future growth.

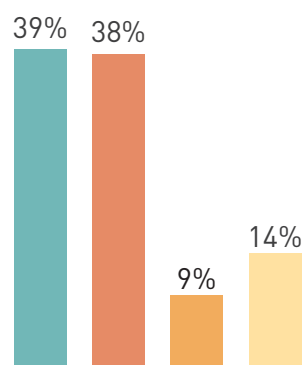
2017

Percentage (%)



2016

Percentage (%)



- Retained for future reinvestment & growth
- To providers of capital
- To government
- To employees

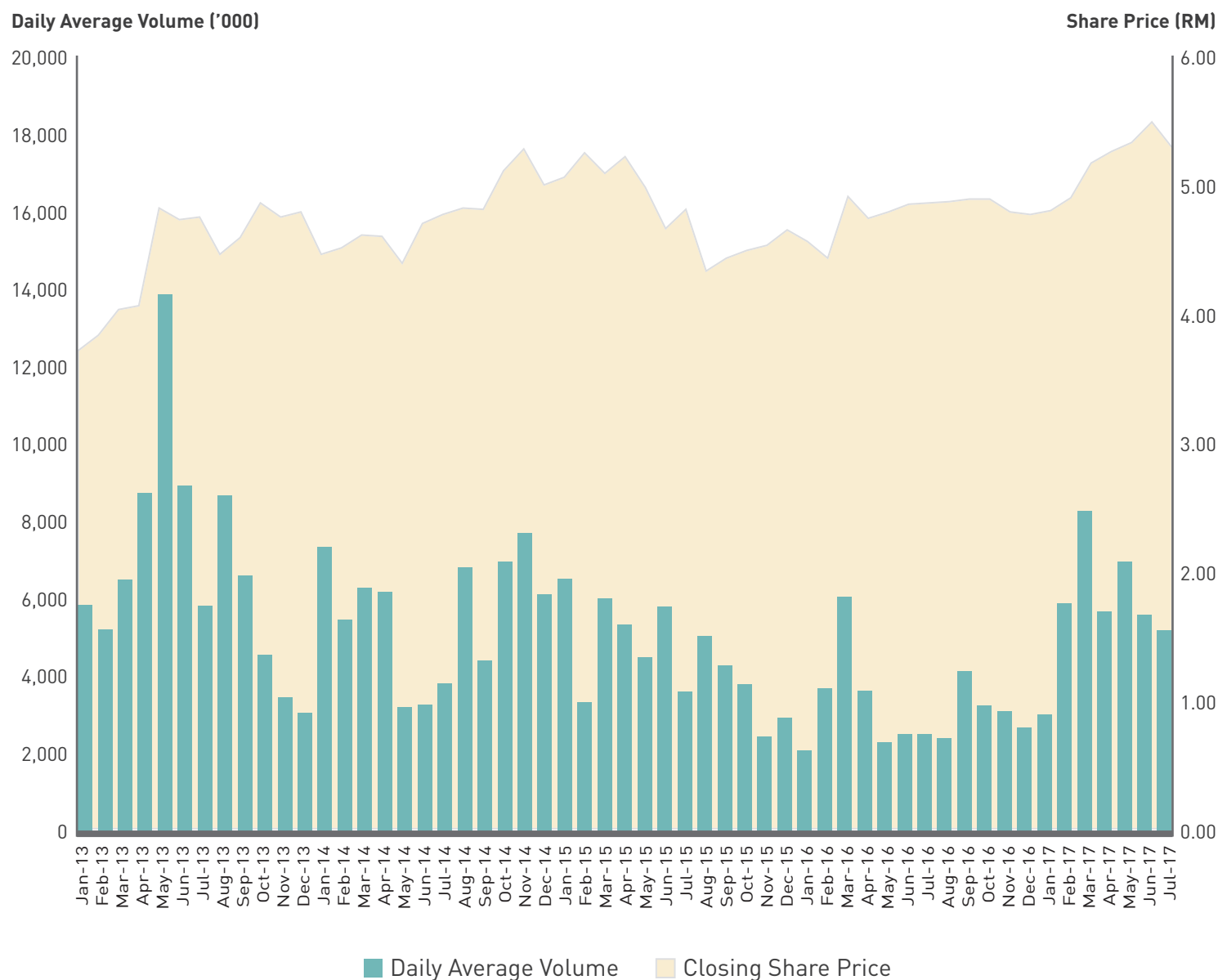
RM'million	2017	2016
<b>Value added:</b>		
Revenue (Includes Revenue of Joint Ventures)	5,703	4,171
Operating Expenses	(4,779)	(3,296)
Other Income	152	109
Share of Profits of Associated Companies	209	211
<b>Total Value Added for Distribution</b>	<b>1,285</b>	<b>1,195</b>
<b>Distribution:</b>		
To Employees		
– Salaries & Other Staff Costs	207	166
To Governments		
– Income Tax Expense	170	112
To Providers of Capital		
– Dividends	292	289
– Finance Cost	104	126
– Non Controlling Interest	54	43
Retained for Future Reinvestment & Growth		
– Depreciation and amortisation	148	122
– Retained Profits	310	337
<b>Total Distributed</b>	<b>1,285</b>	<b>1,195</b>
<b>Reconciliation:</b>		
Net Profit for the Year Attributable to Equity Holders	602	626
Add: Staff Costs	207	166
Depreciation and Amortisation	148	122
Finance Cost	104	126
Income Tax Expense	170	112
Non Controlling Interest	54	43
<b>Total Value Added</b>	<b>1,285</b>	<b>1,195</b>

# Share Performance

**Stock Exchange**  
Bursa Malaysia Securities Berhad

**Trading Name**  
Gamuda

**Stock Code**  
5398



Share Price	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
High (RM)	4.92	4.92	4.95	4.92	4.91	4.95	4.98	5.32	5.31	5.48	5.50	5.50
Low (RM)	4.81	4.75	4.78	4.69	4.65	4.66	4.81	4.93	5.07	5.24	5.25	5.16
Daily Average Volume ('000)	2,404	4,133	3,243	3,001	2,676	3,007	5,870	8,250	5,665	6,955	5,569	5,182

# Investor Relations

## **POLICY, PRACTICES AND PROGRAMMES**

The Board recognises Investor Relations (IR) as a key component of its Corporate Governance obligations. To meet the high expectations of the investment community, the Board has set up a dedicated IR unit headed by the Group Managing Director, and assisted by the Senior Group General Manager, Investor Relations, to provide direct access to top management in all matters pertaining to Investor Relations.

The Board's primary objective is to provide all necessary information to the financial community such that shareholders, investors and potential investors can make an informed judgement on the fair value of the company's shares consistently over time. By doing so, this will help to create demand for the company's shares, and eventually optimise the company's cost of capital. To enhance the effectiveness of the IR unit, the Board has instituted a comprehensive IR policy and programme with the following objectives, guidelines and mandates:-

### **(1) Equal Access to Information**

As a publicly listed group, the Board is acutely aware of the need to always provide fair and equal access to information for all classes of investors. Investors play an important role in the successful growth and development of the Group. The Board therefore treats all classes of investors equally, notwithstanding the wide range of investors, many of whom have differing investment objectives and mandates. The IR unit caters to the demands of all types of investors, including retail and institutional investors, short and long-term investors, and domestic and foreign investors.

In line with IR best practices, all investors are provided with the relevant corporate information as and when requested. Price sensitive information is always disclosed to Bursa Malaysia before being disclosed to any individual investor. As far as is practicable, all requests for investor meetings are completely fulfilled. In addition, the IR unit actively reaches out to overseas investors on a regular basis to meet with those who are not able to travel to Malaysia.

### **(2) Building Trust and Credibility**

A highly regarded and credible management team is one of the prerequisites for any investor. The Board recognises that trust and credibility can only be built up over time, and requires a long-term commitment to protecting investors' interests. As such, the Board takes all necessary steps to ensure that critical investor issues are addressed promptly, effectively and accurately so that investors are always kept abreast of corporate developments and have a broad and clear understanding of strategic issues.

### **(3) Fostering High Quality Relationships**

High quality relationships can only be nurtured by continuously engaging with the investment community, both through good times as well as during difficult periods. In this respect, the IR unit conducts regular scheduled dialogue sessions with investors to provide corporate updates, explain the group's strategic direction, outline business prospects, and clarify financial issues. Should circumstances require, unscheduled dialogue sessions are occasionally arranged to explain and clarify any major corporate developments. Through these dialogue sessions, valuable feedback on various issues is also often obtained from the investment community.

# Investor Relations

## (4) Maintaining Open and Honest Communication Channels

Given the cyclical nature of the Group's key business sectors, business prospects are not always necessarily positive. Given this reality, the Board believes in portraying an honest assessment of the group's business prospects, even if prospects may not be particularly bright. In doing so, it is hoped that investors will obtain a realistic understanding of the business cycles, and will be in a better position to make informed investment decisions.

## PROGRAMMES AND ACTIVITIES

A dedicated Investor Relations (IR) unit has been set up by the Board to implement effective IR programmes and activities in line with its IR policies. This unit is ultimately headed by the Group Managing Director, whilst the day-to-day activities are handled by the unit's Senior Group General Manager.

As a proud founding member of the Malaysian Investor Relations Association (MIRA) several years ago, Gamuda today continues to actively support MIRA's IR objectives and activities as a Corporate Member.

## IR Activities

Key IR activities during the year include holding regular investor briefings immediately after releasing the quarterly results and at other appropriate times during the year. These briefings are conducted by the IR unit, and provide the avenue for investors and financial analysts to understand, clarify and raise any questions or issues at hand. Occasionally, other senior management members may also be present at these briefings.

Other activities include participating in international and domestic investor conferences, going on marketing roadshows, hosting teleconferences, responding to email and telephone enquiries, catering to numerous requests for private meetings with investors and financial analysts, and organising trips for investors to visit our overseas and domestic project sites.

Over the year, investors continued to keenly track the progress of KVMRT Line 1 during the tail-end phase of its construction. Also, following the soft launches of our new townships, Gamuda Gardens and Kundang Estates, several project site visits were organised to introduce these projects to the investment community. Investors were also keen to visit our newly set up Industrialised Building System (IBS) plant.

The following is a summary of all IR activities during FY2017.

Type of Event	Investment Centre	No. of Meetings
Investor Conferences	London, Hong Kong, Singapore, Kuala Lumpur	9 trips
Investor Briefings	Kuala Lumpur	4 times
Project Site Visits	Kuala Lumpur	4 trips
Teleconference Calls	Various	21
Private Meetings	Various	78

### Key IR Issues

During the first quarter of 2017, there was a significant increase in the level of investor interest in the Group, especially from those based overseas. To cater for several investors who were unable to visit the company personally, teleconference calls were arranged to update these investors.

On the Construction front, investors were keenly interested in tracking the progress of our KVMRT Line 1 and KVMRT Line 2 projects, as well as other potential upcoming infrastructure projects in the country. On the Property front, investors were interested in the launch schedules of our new township projects, as well as examining the masterplans of these townships. Several project site briefings were organised to explain our development plans for these projects. On the Concessions front, investors were focussed on the progress made on the negotiations pertaining to the planned disposal of SPLASH.

### Electronic Communication

Broader investor communication also takes place via our corporate website at [www.gamuda.com.my](http://www.gamuda.com.my) as well as through the Annual Report, Annual General Meeting (AGM) and Extraordinary General Meeting (EGM).

There is a wealth of information online. All announcements made to Bursa Malaysia are updated on our corporate website as soon as practicable. In addition, slides and notes from the quarterly investor briefings are also uploaded on our website for the benefit of shareholders unable to attend these briefings.

### Annual General Meeting

The Board seeks to encourage shareholder attendance at its AGM. The Chairmen of the Audit, Remuneration and Nomination Committees, together with other Directors will usually attend the AGM. Shareholders are encouraged to raise any pertinent issues at the meeting.

# Financial Calendar

## DIVIDENDS



### FIRST INTERIM SINGLE TIER DIVIDEND OF 6 SEN

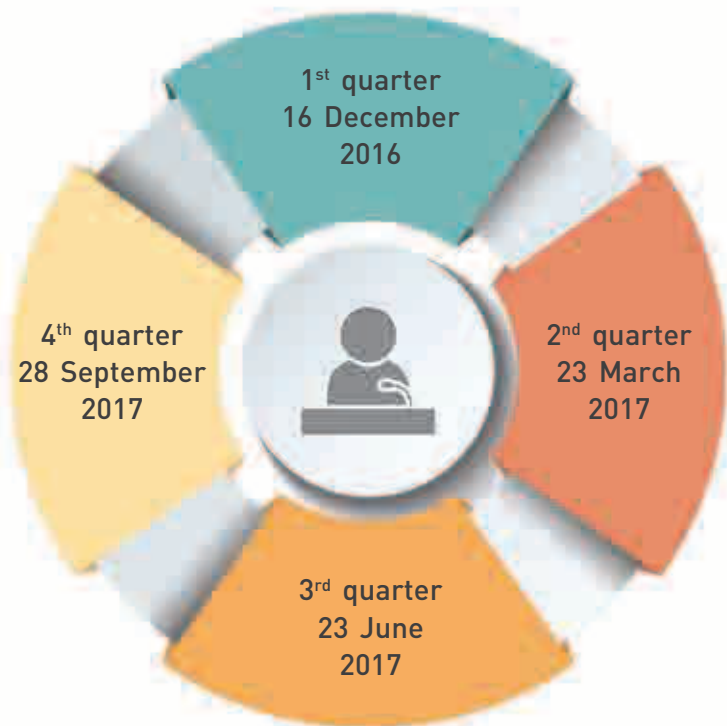
Announcement : 16 December 2016  
Entitlement : 5 January 2017  
Payment : 25 January 2017



### SECOND INTERIM SINGLE TIER DIVIDEND OF 6 SEN

Announcement : 23 June 2017  
Entitlement : 14 July 2017  
Payment : 28 July 2017

## ANNOUNCEMENT OF CONSOLIDATED RESULTS



## ANNUAL GENERAL MEETING





# Bonds and Credit Ratings

**Rating: AA3/Stable/P1**

**Outlook: Stable**

## **Gamuda Berhad**

- (i) RM800 million Islamic Medium-Term Notes Programme (2013/2038) and RM100 million Islamic Commercial Papers Programme (2013/2020) with a combined limit of RM800 million.
- (ii) RM800 million Islamic Medium-Term Notes Programme (2008/2028).
- (iii) RM5 billion Islamic Medium-Term Notes Programme (2015/2045) and RM2 billion Islamic Commercial Papers Programme (2015/2022) with a combined limit of RM5 billion.

**Rating: AA2/Stable**

**Outlook: Stable**

## **Kesas**

RM735 million Islamic Medium-Term Notes Facility ("Sukuk Musharakah") (2014/2023).

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**Rating: AA3/Stable/P1**

**Outlook: Stable**

## **Bandar Serai Development Sdn. Bhd.**

RM1 billion Islamic Medium-Term Notes Programme (2014/2044) and RM500 million Islamic Commercial Papers Programme (2014/2021) with a combined limit of RM1 billion.

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**Rating: AA2/Stable**

**Outlook: Stable**

## **LITRAK**

- (i) RM1.15 billion Islamic Medium-Term Notes I Facility ("Sukuk Musharakah") (2008/2023).
- (ii) RM300 million Islamic Medium-Term Notes II Facility ("Sukuk Musharakah") (2008/2023).



# SUSTAINABILITY

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- 75 Economic Growth
- 86 Environmental Management
- 92 Social Contribution



# Sustainability Statement

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Sustainability is embedded in the culture of Gamuda. As we grow our business, we also want to be catalysts of sustainable development.

We view our ability to contribute towards nation-building while meeting current and future societal demands as crucial to the growth of our business as a whole. We continue to uphold sustainable practices, embrace agility and innovation, and implement environmental and social resilience in everything we do.

We are seeing the benefits of narrowing the infrastructure gap and advancing socio-economic development in the wider economy.

As we embrace a more circular economy, we will further enhance the long-term benefits of our projects to all our stakeholders, and ensure our business is future-ready.

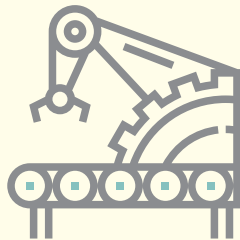
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## HIGHLIGHTS OF 2017

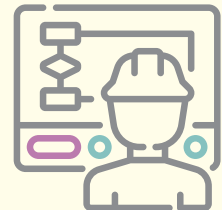


### EMPOWERED 1,078 SMEs FOR KVMRT LINE 1 AND LINE 2 THROUGH UNDERGROUND WORKS CONTRACTS WORTH RM11.8 BILLION

Gamuda's first automated robotic IBS factory in Malaysia has a maximum capacity of **3,000** property units per year



**180** Malaysian factory operators are being trained to use digital IBS at the Gamuda IBS factory

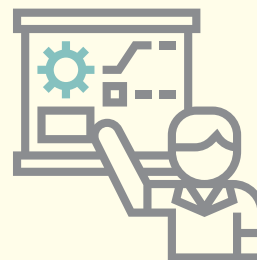


Gamuda Berhad Singapore branch office successfully secured the **Green and Gracious Builder Certificate** from Singapore's Building and Construction Authority (BCA)



**33%** of Board of Directors are Women

Awarded **43** Gamuda Scholarships worth **RM5.6 million**



Launched BIM Training Academy with **352** trainees



**20** Differently-Abled employees

Trained over **1,000** tunnellers on TBM technology



**Enabling Academy** for the training and placement of people with autism in Partner Companies

# Sustainability Statement

## Key Economic, Environmental and Social Aspects

### Highlights

#### Quality, Safety, Health and Environment

Improved measures to ensure adherence to the highest quality, safety, and environmental standards at our projects and their supply chain, including Work Package Contractors (WPCs), suppliers, sub-contractors and labourers.

#### Good Governance

In 2016, we improved our sustainability reporting process, and undertook a gap analysis to prepare the Group for entry into markets where sustainability reporting is compulsory.

#### Inclusivity

Inclusiveness is a business imperative that is measured internally:

- The state-of-the-art KVMRT has various disabled-friendly features.
- Our property projects are created and designed for multi-generational usage with township facilities and activities for residents of all ages.
- 33% of Gamuda's Board of Directors is represented by women and 34% of the total workforce consists of women. Exceeds the government's 30% quota for women and the "30% Club" global initiative.

#### Green Solutions

- The KVMRT system decreases congestion on roads, and is expected to increase public transport share from 18% to 40% by 2030 – resulting in lower vehicle emissions.
- We focus on green buildings to reduce our environmental footprint.
- Our recent buildings (The Robertson, HighPark Suites) and townships (Gamuda Gardens and Gamuda Cove) have achieved Green Building and Green Township with Green Building Index (GBI) Gold or Silver accreditation.

#### Yayasan Gamuda

- Provides scholarship and financial aid for deserving students from disadvantaged backgrounds and communities affected by poverty, inadequate infrastructure and natural disaster.
- Enabling Academy (EA) prepares individuals on the autism spectrum to be gainfully employed by partner organisations.
- Supporting the Star Golden Hearts Award (SGHA) since 2016. In addition, the Gamuda Inspiration Award 2016 worth RM50,000 was awarded to *Kedai Jalanan*, a street stall for the homeless and urban poor.

## SCOPE

This Statement provides the highlights of our approach and strategy to achieve sustainability across our operations together with our progress, key accomplishments during the financial year and plans in the pipeline. Where possible, we have also listed the qualitative and quantitative information and year-on-year comparison data. Our aim is to provide disclosure on our sustainability performance and management to stakeholders.

This Statement was prepared in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports of Listed Issuers. The disclosure is also guided by the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. It details our non-financial performance and covers our operations in Malaysia, key projects in other countries and, where possible, information across our supply chain.

## MANAGING SUSTAINABILITY

Key sustainability aspects at Gamuda are managed across the organisation and overseen by different departments. Underlying all efforts is an overriding commitment towards good governance.

Good governance lies in sound business ethics, viable policies and product stewardship across all areas of the organisation. Our Code of Conduct outlines our commitment to the highest level of ethics and transparency. The Code is supported by our 'Whistleblowing Policy', 'Disclosure of Corporate Information', 'Involvement in Outside Business' and 'Gifts and Benefits Policy'.

Our Directors recognise that the long term viability of the Group requires making sustainability a priority.

The Board supervises the management of material risks, including sustainability risks like health and safety, environmental management, human capital, ethics and good conduct. We have implemented an enterprise risk management framework to help identify risks, to be managed in our business. For more information regarding Risk Management and Internal Control, please refer to page 128.

### Ethical Business

An ethical business is primarily built by its people. All employees are expected to recognise the culture that we share and thrive in an environment where high ethical business standards are expected.

# Sustainability Statement



## Deepening Our Commitment to Human Rights

To help ensure we respect human rights throughout our supply chain, we have strengthened our commitment to exemplary labour standards. We have reviewed and enhanced our Environment and Health and Safety policies. For all outsourced services, the Group adheres to its contractual requirements and conducts thorough site specific vetting to ensure construction contract workers have a valid Construction Industry Development Board (CIDB) Green Card and valid work permit before they can work at any of our sites. Routine inspections are conducted at all project sites to ensure compliance to this requirement.

One of the ways of supporting this commitment is through our whistleblower process, which provides a secure avenue for employees and any third party to report activities, which they suspect are in breach of codes and policies, or the laws and regulations that govern our businesses.

Moving ahead, we plan to enhance the management of all sustainability efforts by incorporating existing structures into a sustainability management framework.



## MULTI-STAKEHOLDER APPROACH

We value excellent working relationships with all relevant parties. Within the organisation, there must be clarity and consistency. At the same time, we need commitment and robust methods to check our progress and to constantly push ourselves to find ways to address the challenges and opportunities we face, which collectively may impact the nation.

Feedback and communication are important to us. We have a high regard for open and honest communication with all our stakeholders, comprising individuals, groups and communities we work and come in contact with. Hence, we continue to engage stakeholders and listen to their feedback, needs and concerns on matters relevant to us in all areas that we operate in. To do this, we have adopted various communication and engagement strategies for all segments and groups.

Stakeholder Groups	Key Matters Arising in 2017	Our Responses
<p><b>Employees</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Employee engagement survey</li> <li>• Town hall meetings</li> <li>• Internal communications</li> <li>• Interviews</li> <li>• Performance reviews</li> <li>• Safety, Health and Environment (SHE) Committee Meeting</li> <li>• Workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Health, safety and well-being</li> <li>• Talent, performance and rewards</li> <li>• Training and education</li> <li>• Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, Safety, Health and Environment (QSHE), page 93</li> <li>• Recruit, page 95</li> <li>• Retain, page 97</li> <li>• Replenish, page 100</li> <li>• Renew, page 101</li> </ul>
<p><b>Customers</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Surveys</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Trust and safety</li> <li>• Connectivity</li> <li>• Family-friendly facilities</li> <li>• Disabled-friendly facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Committed to Delivering Quality, page 80</li> </ul>
<p><b>Investors</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Investor briefings</li> <li>• Investor marketing roadshows</li> <li>• Teleconferences</li> <li>• Meetings</li> <li>• Media coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Financial viability</li> <li>• Accountability</li> <li>• Sustainability disclosure (entry into other markets where sustainability reporting is compulsory)</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements, page 144</li> <li>• Sustainability Statement, page 66</li> </ul>

# Sustainability Statement

Stakeholder Groups	Key Matters Arising in 2017	Our Responses
<p><b>Local Communities</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Community development programmes</li> <li>• Info Centres, Info Kiosks and Mobile Info Truck for KVMRT</li> <li>• Press releases</li> <li>• Surveys</li> <li>• Town hall meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Safety standards</li> <li>• Access to project information</li> <li>• Community efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, Safety, Health and Environment, page 93</li> <li>• Community Development, page 104</li> </ul>
<p><b>Government/Regulatory/Local Authority</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Workshops</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• The National Key Economic Area (NKEA) aims to improve the liveability of the nation's political and commercial nucleus which is home to some six million people</li> <li>• Reduce dependency on foreign labour</li> <li>• Fully automated toll payment systems nationwide by 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Best-in-class Delivery Standards, page 75, 81</li> <li>• Total Customer Satisfaction and Road Safety, page 83</li> </ul>
<p><b>Road Users</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Ongoing project development and construction updates in order for public to be suitably updated.</li> </ul>	<ul style="list-style-type: none"> <li>• Key issues affecting the public or motorists including traffic congestion and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Total Customer Satisfaction and Road Safety, page 83</li> </ul>
<p><b>Suppliers</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Transparent procurement system</li> <li>• Suppliers training programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Knowledge sharing and capacity building</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Supply Chain Practices, page 83</li> </ul>

A wide spectrum of stakeholders was engaged during the pre-construction and early construction stages of the KVMRT. As awareness of the project increased, we reduced direct sessions and focused more on targeted outreach.

#### KVMRT Line 1 and Line 2 Stakeholder Engagement

Year	2017	2016	2015
Number of stakeholders engaged	2,953	1,440	1,500
Engagement sessions	209	120	132



### Responsive Complaint Management System (CMS)

The Group has established among the most responsive and effective CMS for large-scale infrastructure projects in Malaysia. The system serves employees, customers and the public, covering all aspects of our developments and construction sites:

- KVMRT stakeholders have 24-hour access to the MRT Hotline. The hotline complies with Standard Operating Procedures, and the resolution statuses are reviewed by the Project Delivery Partner (PDP) and reported to Mass Rapid Transit Corporation Sdn. Bhd. (MRT Corp) monthly.
- Evaluation of WPCs' quality of work allows us to identify and rectify potential safety, health and environmental risks at MRT worksites.
- Real-time monitoring with SMS and email notifications are used for fast response times and efficient resolutions, which improve our stakeholder relationships. All complaints received are logged together with actions taken to resolve them.
- Record of complaints from MRT Hotline (from May 2012 to July 2017): 3,404

## MATERIALITY ASSESSMENT

A materiality workshop with our main internal stakeholders was conducted last year. It offered an avenue to refine our assessment of material issues, and to enhance our level of disclosure for this Statement. In addition to updating the status of previously identified material issues, the workshop also served to identify any additional issues that may have surfaced over the past year. We further refined the issues through an assessment of updated internal policies, strategies and comments by various departments. It was then discussed during interviews with the Board of Directors and senior management, as well as meetings with the working team and data owners.

# Sustainability Statement

## Economic Growth



## Environmental Management



## Social Contribution



### Engineering & Construction

- Best-in-Class Delivery Standards
- Responsive Complaint Management System

### Property Development

- Making Good Sustainable Towns
- Best-in-Class Delivery Standards
- Affordable Housing
- Responsible Marketing

### Infrastructure Concessions

- Total Customer Satisfaction and Road Safety

### Responsible Supply Chain Practices

- Project Delivery Partner
- Building Local SMEs

### Building Our Common Data Platform

### Green Development

- Certifications

### Pioneering Engineering Solutions

### Waste Management

- Project-based Waste Management
- Reduction of Construction and Material Waste with Industrialised Building System

### Energy and Water Management

### Noise Management

### Workplace

- Quality, Safety, Health and Environment
- Recruit
- Retain
- Replenish
- Renew

### Community Development

# ECONOMIC GROWTH



Our projects improve connectivity and spur new growth areas that enable communities, businesses and townships to function seamlessly in the Klang Valley and the country. Our foremost responsibility is ensuring safety in all our projects whilst enhancing the quality of life of our stakeholders.

We aim to deliver world-class infrastructure with best-in-class performance and standards. Infrastructure supports and creates economic growth. In order to benefit the current generation and make a contribution to the future, we will continue to use the best systems, on par with global standards, to optimise efficiency and quality. As nation building is close to our hearts, we will continue to empower our supply chain by providing contracts to small and medium enterprises (SMEs), creating jobs and upskilling our workforce so they can better serve the industry and the country.

## ENGINEERING AND CONSTRUCTION

### Best-in-Class Delivery Standards

#### Industrialised Building System (IBS)

IBS transforms our delivery model and construction practices by utilising a system that facilitates better efficiency, less material wastage and shorter delivery times. It contributes towards increased productivity and higher quality construction, as outlined by the national initiative known as the Construction Industry Transformation Programme (CITP) for 2016-2020. IBS is a key example of our move towards the circular economy as it is modular, reduces the use of raw materials and minimises wastage. IBS encourages the adoption of long-term design thinking, technology and innovation throughout the life cycle of a construction asset.

## Sustainability Statement



Gamuda is leading the way by building the first automated robotic digital IBS factory in Malaysia. Located in Sepang and completed in June 2016, it has a maximum output capacity of 3,000 property units per year. A second digital IBS factory is currently under construction in Banting and will be ready by the end of 2018.

Our investment in the two fully integrated digital IBS factories effectively disrupts the traditional method of construction through the use of this digital building system where components are prefabricated in a controlled environment and moved to the building site for installation.

IBS also improves worksite safety, reduces construction timelines by almost 50% and lessens the use of foreign labour by 63% – raising QSHE standards and minimising risks. For further details on how IBS reduces waste on-site, please refer to page 89.

By the end of 2018, Gamuda IBS factories will have a combined workforce of 500 with a capacity to produce 8,000 property units per year.

Digital IBS is mainly supported through the use of Building Information Modelling (BIM), a digital representation of the physical asset that allows the sharing of integrated data collaboratively during the entire construction process. The 'digital twin' afforded by BIM is beneficial to the asset owner/operator as it can extend the useful life of the asset while reducing the overall total cost of ownership.

All Gamuda Land's high-rise developments will be fully designed using BIM and digital IBS by 2020, with the prospect of expanding this further to other property segments. Our digitally integrated delivery system will deliver buildings in all market segments with the same superior quality – be it affordable homes or luxury mansions.

A total of 180 Malaysian plant operators are being trained to use IBS technology and we plan to hire and train another 320 operators for the upcoming factory in Banting.

## Building Information Modelling (BIM) – the Digital Twin

The integrated BIM design utilises a shared digital Common Data Environment that allows us to customise our designs. BIM in Gamuda IBS allows us to flexibly produce precast panels without resorting to fabricating new sets of moulds for each project. The Gamuda IBS moulds are configured through BIM for every new cast we make.

BIM's key benefit is the ability to build a "digital twin" of a proposed development. The outcome of BIM is a precise representation of the development that will be used by designers, planners, project managers and quantity surveyors before construction begins, allowing real-time changes and updates to be made that translates across the board to each respective person-in-charge. It serves as a tool for

clash detection, ensuring smoother operations during construction to avoid rework and delays to project timelines. Gamuda is set to be the industry frontrunner in the digital delivery system with the imminent adoption of BIM.

Manpower and time savings from BIM usage: In place of 10 quantity surveyors taking over two months to finalise the material cost assessment for 10 KVMRT stations, it will now require one quantity surveyor less than three weeks.

